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PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 20 JANUARY 2022 @ 1000 HRS

BY CONFERENCE FACILITIES

AGENDA

- 1 CHAIR'S WELCOME**
- 2 APOLOGIES FOR ABSENCE**
- 3 CONSIDERATION OF AND DECISION ON ANY ITEMS TO BE TAKEN IN PRIVATE**
- 4 DECLARATION OF INTERESTS**
Members should declare any financial and non-financial interest they have in the items of business for consideration, identifying the relevant agenda item, and the nature of their interest.
- 5 MINUTES OF PREVIOUS MEETINGS: THURSDAY 14 OCTOBER 2021 (attached)** *B Baverstock*
The Committee is asked to approve the minutes of these meetings.
- 6 ACTION LOG (attached)** *A Cameron*
The Committee is asked to note the updated Action Log and approve the closed actions.
- 7 INTERNAL AUDIT**
 - 7.1 Internal Audit Progress Report 2021/22 (attached) *Azets*
 - Final Report Fire Safety Enforcement (attached)
 - Final Report Learning and Development (attached)
 - 7.2 Progress Update – Internal Audit Recommendations (attached) *Azets**The Committee is asked to scrutinise these reports.*
- 8 INDEPENDENT AUDIT/INSPECTION ACTION PLAN UPDATE (attached)** *M McAteer*
The Committee is asked to scrutinise this report.

Please note that this meeting will be recorded and published on the SFRS Website.

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9 EXTERNAL AUDIT

- 9.1 Update - Report to the Audit and Risk Assurance Committee and the Auditor General For Scotland 2020/21 (*attached*) *Deloitte*
- 9.2 Deloitte Audit Dimensions and Best Value Report for Year Ended 31 March 2021 (*attached*) *J Thomson*

The Committee is asked to scrutinise these reports.

10 INTERNAL CONTROLS UPDATE

- 10.1 Overview of Strategic Risk Register and Committee Aligned Directorate Risks (*attached*) *D Johnston*
- 10.2 Anti-fraud and Whistleblowing (*verbal*) *J Thomson*

The Committee is asked to scrutinise these reports.

11 QUARTERLY UPDATE ON HMFSI BUSINESS (*attached*)

HMFSI

The report is for information only

12 QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER (*attached*)

D Johnston

The report is for information only

13 REVIEW OF ACTIONS

A Cameron

14 FORWARD PLANNING

B Baverstock

- 14.1 Committee Forward Plan Review (*attached*)
- 14.2 Items for Consideration at Future Integrated Governance Forum, Board and Strategy Day meetings

15 DATE OF NEXT MEETING

Thursday 30 March 2022 @ 1000 hrs

PRIVATE SESSION**16 MINUTES OF PREVIOUS PRIVATE MEETINGS: THURSDAY 14 OCTOBER 2021 (*attached*)**

B Baverstock

The Committee is asked to approve the minutes of these meetings.

17 PRIVATE ACTION LOG (*attached*)

A Cameron

The Committee is asked to note the updated Action Log and approve the closed actions.

Please note that this meeting will be recorded and published on the SFRS Website.

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- 18 CYBER SECURITY PENETRATION TESTING UPDATE** *(attached)* *P Stewart/
S Fox*
The Committee is asked to scrutinise this report.
- 19 ORGANISATIONAL SECURITY UPDATE** *(attached)* *M McAteer*
The Committee is asked to scrutinise this report.

Please note that this meeting will be recorded and published on the SFRS Website.



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PUBLIC MEETING - AUDIT AND RISK ASSURANCE COMMITTEE

THURSDAY 14 OCTOBER 2021 @ 1330 HRS

BY CONFERENCE FACILITIES

PRESENT:

Brian Baverstock, Chair (BB)	L Bloomer, Deputy Chair (LBI)
Paul Stollard (PS)	Tim Wright (TW)
Mhairi Wylie (MW)	

IN ATTENDANCE:

Ross Haggart (RH)	Deputy Chief Officer
John Thomson (JTh)	Acting Director of Finance and Procurement
David Johnston (DJ)	Risk and Audit Manager
Gary Devlin (GD)	Internal Audit (Azets)
Matthew Swann (MS)	Internal Audit (Azets)
Gillian Callaghan (GC)	Internal Audit (Azets)
Pat Kenny (PK)	External Audit (Deloitte)
Caroline Jamieson (CJ)	External Audit (Deloitte)
Scott Semple (SS)	Head of POD
Robert Scott (RS)	HMFSI
Kirsty Darwent (KD)	Chair of SFRS Board
Richard Whetton (RW)	Head of Governance, Strategy and Performance
Heather Greig (HG)	Board Support Executive Officer
Debbie Haddow (DH)	Board Support/Minutes

OBSERVERS:

Karen Horrocks, Assistant Verification and Risk Officer
Lorna Smith, Scottish Government

1 CHAIR'S WELCOME

- 1.1 The Chair opened the meeting and welcomed those participating via conference facilities.
- 1.2 The Committee were reminded to raise their hands, in accordance with the remote meeting protocol, should they wish to ask a question.
- 1.3 This meeting would be recorded and published on the public website.

2 APOLOGIES

- 2.1 Martin Blunden, Chief Officer
Mark McAteer, Director of Strategic Planning, Performance and Communications

3 CONSIDERATION OF AND DECISION ON ANY ITEMS TO BE TAKEN IN PRIVATE

3.1 The Committee discussed and agreed that Item 18 (External Audit – Annual report to Members and Auditor General for Scotland) and Item 19 (SFRS Draft Annual Report and Accounts 2019/20), would be heard in private session due to confidential financial information not already in the public domain and matters considered of a confidential nature in line with Standing Orders (Item 9E and 9G respectively).

3.2 No further items were identified.

4 DECLARATION OF INTERESTS

4.1 None.

5 MINUTES OF PREVIOUS PUBLIC MEETING:

5.1 Thursday 8 July 2021

5.1.1 The minutes were agreed as an accurate record of the meeting.

5.2 Thursday 26 August 2021 (Special)

5.2.1 The minutes were agreed as an accurate record of the special meeting.

5.3 Matters Arising

5.3.1 There were no matters arising.

5.4 **The minutes of the meeting held on 8 July 2021 and 26 August 2021 were approved as a true record of the meetings.**

6 ACTION LOG

6.1 The Committee considered the action log and noted the updates.

Item 14.2 Quarterly Update of Gifts, Hospitality and Interests Register (08/07/2021):

The Committee were still keen to understand the effectiveness of the new Fraud Policy, however, they noted that the process for gathering feedback had been initiated. DJ outlined his proposal for gathering further feedback and engagement with Directorates. It was agreed that this action would be closed.

6.2 **The Committee noted the updated Action Log and approved the removal of completed actions.**

7 INTERNAL AUDIT

7.1 SFRS Internal Audit Progress Report 2021/22

7.1.1 GD presented a report to the Committee which summarised the progress on the delivery of the 2021/22 Internal Audit Plan and the following key points were highlighted:

- Completion of Remote Working Audit
- Completion of fieldwork for Fire Safety Enforcement Audit
- Planning underway for the Learning and Development Audit
- Status of Key Performance Indicators (green)

7.1.2 In regard to KPI 4 (customer feedback), the Committee were reminded that this was gathered through an iterative process. DJ noted that the relationship with Azets was positive and there was a good level of engagement throughout the Service. Should any areas of improvement be identified, these would be discussed and actioned. GD confirmed there was positive and strong engagement with a focus on continuous improvement for both Azets and the Service.

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7.1.3 Final Report – SFRS Remote Working

7.1.4 MS advised the Committee of the outcome of the audit which found the SFRS's arrangements for remote working reflected good practice and identified 5 areas of improvement.

7.1.5 SS acknowledged the positive report and noted that the Service were still in the learning process and developing the concept. SS informed the Committee that a series of staff agile working workshops had been held and some of the feedback aligned with the audit findings. SS noted that the Agile Working Group had been convened to develop and implement the Agile Working Framework.

7.1.6 JT to confirm with ICT colleagues to provide clarification on the status of the multi factor authentication project.

ACTION: JT

7.1.7 The Committee commented on the increased risk to data security/personal safety and the potential risk to staff feeling isolated or disconnected from the Service. SS noted that both personal safety and cyber security were important and at the forefront of guidance for staff which was similar to the Lone Working guidance. SS reminded the Committee that Agile Working was only one option available to staff and that this may not work for the individual or wider team. There would still be an expectation and need for individuals to maintain connections to reduce the risk of them becoming or feeling isolated.

7.1.8 In regard to the staff survey undertaken by Azets, the Committee commented on the small sample size and MS advised that this was due to issues with accessing the data to contact individuals direct.

7.1.9 In regard to training, SS noted that a range of training including mandatory elements was currently being developed. He noted the differing opinions/attitudes of and the challenges faced by managers, however, the Service were asking managers to be open and willing to trial and test agile working options.

7.1.10 RH reminded the Committee that due to the ongoing restrictions, the Service were still unable to fully understand the true implementation of agile working.

7.1.11 The Committee commented that this was an extremely positive report and highlights the significant progress the Service had made in responding to the challenges of enforced remote working.

7.1.12 **The Committee scrutinised the progress report and the final report.**

7.2 **Progress Update – Internal Audit Recommendations**

7.2.1 MS presented a report to the Committee outlining the status of the recommendations raised by Internal Audit noting the inclusion of a comments section from Azets on previous outstanding recommendations. The following key areas were highlighted:

- New arrangements agreed regarding reviewing older actions to check the relevance of the action.
- Both the Fraud and Risk Policies were being presented at today's meeting and it was anticipated that this would remove several outstanding actions in the coming months.

7.2.2 The Committee noted and welcomed the new arrangements for reviewing older recommendations with a view to streamlining the report.

7.2.3 In regard to Recommendation 4 (Water Planning), DJ advised the Committee that further assurance was required to evidence how the work was progressing. RH noted that the overarching risk on water planning had been deescalated due to the positive action taken

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with Scottish Water. The Committee would welcome an update at the next meeting (January 2022).

ACTION: DJ

- 7.2.4 The Committee commented on the numerous revised timescales and noted the potential reasons ie over ambitious, impact of Covid, reliance on 3rd parties, etc. The Committee have asked for some focus to be given around recommendations where there are multiple date changes and to report back at the next meeting.

ACTION: Azets

- 7.2.5 **The Committee welcomed the update and the progress being made.**

8 INDEPENDENT AUDIT/INSPECTION ACTION PLAN UPDATE

- 8.1 RW presented a report to the Committee outlining the arrangements for managing audits/inspections reports and associated action plans and provided an update on the progress relating to the Audit Scotland report. The following key points were highlighted:
- Audit and Inspection overview dashboard which provides high level details of all action plans.
 - Audit Scotland Report (May 2018) Action Plan; Further 2 actions completed, revised timescale for last remaining action (Retained Duty System Terms and Conditions). Overall 98% completion.

8.2

Typographical error within the title of Appendix B, was identified and amended.

8.3

The Committee scrutinised the report.

9 AUDIT DIMENSIONS AND BEST VALUE FOR THE YEAR ENDED 31 MARCH 2021

- 9.1 The Committee were reminded that the draft version of the report had been presented and discussed at their special meeting on 26 August 2021. An updated report was now presented to the Committee for completeness and scrutiny of any substantive changes (since 26 August 2021).

- 9.2 PK confirmed that the report has been amended in line with the discussion on 26 August and upon receipt of correspondence from the Committee Chair. He outlined the following main changes:

- Introduction section: Revised to provide clarity that the audit was risk based and proportionate as per the wider scope guidelines set by Audit Scotland. Therefore, the audit was likely to identify areas of improvements and should not be read as a comment on the overall performance of the Service.
- Training Strategy recommendation: Key issue was regularly reporting targets set to allow effectiveness and implementation of the training strategy to be assessed.
- Outstanding Internal Audit recommendations: Revised narrative to clarify the position.

- 9.3 In regard to the management response, JT confirmed that the Committee's comments had been reflected in the action plan and that timescales had been revised to be more realistic. Following discussions at the pre-agenda meeting (4 October), JT advised the Committee that further adjustments would be made to provide greater clarity and noted that some timescales had still to be updated. JT to provide details of these revisions to the next meeting.

ACTION: JT

- 9.4 **The Committee scrutinised the report and confirmed that they were content with the revisions made.**

10 DRAFT ANTI-FRAUD AND CORRUPTION POLICY

- 10.1 DJ presented a report to the Committee which contained the draft Anti-Fraud and Corruption Policy for scrutiny and highlighted the following key issues:

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- Policy defines the Fraud Framework and aligns with other relevant policies to minimise the risk of fraud and corruption and enhancing the Service's overall systems of control.
- To raise awareness and understanding, initial fraud training had been delivered to some staff and a fraud LCMS training package has been developed and a roll out programme was being considered. This would also include direct engagement with Directorates to raise awareness.
- Future reporting would be through the Good Governance Board and ARAC.

10.2 DJ clarified that during the initial investigation phase to identify potential fraud, consideration would be given to the sensitivities of the allegations before briefing the Chief Officer, etc. He confirmed that should fraud be identified then the Chief Officer, etc would be informed.

10.3 RW briefed the Committee on the role and remit of the Good Governance Board and agreed to circulate the Terms of Reference for information.

ACTION: RW

10.4 The Committee commented on the term "*gross negligence*" and queried whether this could be restrictive. DJ advised the Committee that advice had been sought from Legal Services regarding this term and would confirm the wording used and notify the Chair outwith the meeting.

ACTION: DJ

10.5 DJ reminded the Committee that the purpose of the Anti-Fraud Policy was to raise awareness, outline processes, highlight potential danger signs/identifiers and its links to other policies.

10.6 JT assured the Committee that any suspected fraudulent activities would be reported to the Chair of the Board and ARAC as soon as possible, and would then form part of the regular update report submitted to the Committee.

10.7 **The Committee scrutinised and, subject to minor amendments, recommended the Anti-Fraud and Corruption Policy to the Board for approval.**

11 DRAFT RISK MANAGEMENT POLICY

11.1 DJ presented a report to the Committee which contained the draft Risk Management Policy for scrutiny and highlighted the following key issues:

- Policy promotes awareness of risk, provides assurance of adequate controls in place, and alignment to the Service's management of risk processes.
- Maturing of the risk framework to further strengthen system of controls and alignment to risk maturity.
- Policy updated to reflect the current practices such as provision of assurance, ability for scrutiny at all levels, increased awareness and engagement.
- Need for period of stability to embed the framework (as outlined in the Internal Audit 's report on Risk Management).
- Future Strategy Day session on Risk Appetite (January 2022).
- Portfolio Office were developing new documentation and this would be aligned to the new risk management practices and framework.
- Revised reporting template had been well received, provides greater transparency and scrutiny at all management levels. This has generated an increase in requests for further information and work was ongoing to develop an additional level to look at functional and project risks within the reporting tool.

11.2 The Committee noted the risk appetite session at a future strategy day and indicated that during this session a discussion on how the risk description and scoring reflected on the risk appetite at different points.

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11.3 The Committee commented on the need for the Portfolio Office's reporting of risks to be aligned with the risk management framework. DJ assured the Committee that he was engaging with the Head of Portfolio Office, who was aware and keen to ensure alignment. The Committee acknowledged that the reporting of project risks was well established and requested that a specific update on the alignment process be included in the risk reporting at the next meeting (January 2022).

ACTION: DJ

11.4 To provide transparency, RS advised the Committee that risk and change management would be a particular focus of HMFSI going forward. BB thanked RS for this early indication and would welcome the opportunity to discuss this further outwith the meeting.

11.5 **The Committee scrutinised and recommended the Risk Management Policy to the Board for approval.**

12 QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER

12.1 DJ presented the report to the Committee providing an update on the Gifts, Hospitality and Interests Register for Quarter 2 2021/22.

12.2 The Committee noted their concerns regarding the number of individuals not self-identifying and the potential lack of awareness and effectiveness of the new policy. Discussions to be held outwith the meeting to consider areas to be reported on at the next meeting (January 2022) in order to provide broader assurance around additional actions being taken where interests are reported.

ACTION: BB/DJ

12.3 **The Committee noted the report.**

(The meeting broke at 1516 hrs and reconvened at 1526 hrs)

13 INTERNAL CONTROLS UPDATE

13.1 a) Overview of Strategic Risk Register and Aligned Directorate Risks

13.1.1 DJ presented the revised Strategic Risk Register (SRR) along with the aligned Directorate Risks to the Committee and outlined the information contained within the appendices.

13.1.2 DJ provided further clarity on the information being presented within Appendix D (Directorate Closed Control Summary) and Appendix E (Directorate Closed Risk Summary).

13.1.3 Regarding changes to risk ratings, DJ confirmed there were no changes during this reporting period and stated that any changes would continue to be captured and reported within future reports.

13.1.4 The Committee commented on the opportunity to influence the reporting format/process and felt that this has been missed. DJ noted that the new format was being presented today and the Committee still had the opportunity to provide some feedback. BB and DJ to discuss the format of the report further outwith the meeting.

ACTION: BB/DJ

13.1.5 The Committee noted potential loss of the overarching commentary, details of changes to risk ratings, effectiveness of controls, etc from the new format of reporting. DJ advised the Committee that although the format of the report had been revised, the same information was being presented and, if appropriate, additional information could also be provided. JT informed the Committee that the new format risk report was well received by the Strategic Leadership Team and provided additional levels of granularity.

13.1.6 **The Committee scrutinised and supported the continued development the report.**

- 13.2 **b) Anti-fraud/Whistleblowing Update**
 13.2.1 JT noted that there were no issues to report.

14 **QUARTERLY UPDATE REPORT ON HMFSI BUSINESS**

- 14.1 RS presented the quarterly report to the Committee to provide an update on HMFSI's inspection and reporting activity during 2021/22 and the following key areas were noted:
- Local Area Inspection (LAI) for Argyll and Bute now complete and the LAI for Angus has commenced.
 - Formal discussions underway regarding new proposals for annual Service Delivery Area inspections rather than individual Local Authority area inspections. Further details would be provided at the next Board Strategy Day (November 2021).
 - Thematic Inspection on the Service's plans and preparedness for the UN Climate Change Conference had now been completed.
 - Fieldwork for the Thematic Inspection re Firefighting in High Rise Buildings was still ongoing and the final report would be laid before Parliament in May 2022.
 - Fieldwork for the Thematic Inspection re Health and Safety - An Operational Focus has been concluded and the final report would be available in Quarter 4 2021/22.
 - Thematic Inspection on the Review of Operational and Protective Equipment had been deferred and would be rescheduled as necessary. Reminder that Azets previously carried out an audit on this area.

- 14.2 RS confirmed that potential benchmarking proposals would be included in the Strategy Day session.

- 14.3 The Committee noted and welcomed the collaborative approach and engagement with the Inspector. RS thanked the Service for how he and the revised approach had been accepted.

- 14.4 **The Committee noted the report.**

15 **REVIEW OF ACTIONS**

- 15.1 HG confirmed that 9 formal actions were recorded during the meeting.

16 **FORWARD PLANNING**

- 16.1 **a) Committee Forward Plan Review**
 The Committee considered and noted the Forward Plan.

- 16.2 **b) Items for Consideration at Future IGF, Board and Strategy Days Meetings**
 No items were noted.

17 **DATE OF NEXT MEETING**

- 17.1 The next meeting is scheduled to take place on Thursday 20 January 2022 at 1000 hrs.

- 17.2 There being no further matters to discuss the public meeting closed at 1605 hrs.

PRIVATE SESSION

18 **EXTERNAL AUDIT – ANNUAL REPORT TO MEMBERS AND AUDITOR GENERAL FOR SCOTLAND**

- 18.1 CJ presented the Annual Report to Members and Auditor General for Scotland report to the Committee and noted some key areas. The Committee scrutinised the report, noted the areas still to be finalised, and thanked all those involved in the production of the report.

19 **SCOTTISH FIRE AND RESCUE SERVICE DRAFT ANNUAL REPORT AND ACCOUNTS 2020/21**

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- 19.1 The Committee scrutinised the draft Annual Report and Accounts 2020/21 and, subject to the satisfactory conclusion of the outstanding issues, recommended the report for approval by the SFRS Board on 28 October 2021.
- 19.2 Thanks were extended to all those involved in the preparation of the annual report and accounts.

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AUDIT AND RISK ASSURANCE COMMITTEE ROLLING ACTION LOG



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Background and Purpose

A rolling action log is maintained of all actions arising or pending from each of the previous meetings of the Committee. No actions will be removed from the log or completion dates extended until approval has been sought from the Committee.

The status of actions are categorised as follows:

- Task completed – to be removed from listing
- No identified risk, on target for completion date
- Target completion date extended to allow flexibility
- Target completion date unattainable, further explanation provided.

Actions/recommendations

Currently the rolling action log contains 9 actions. A total of 7 of these actions have been completed.

The Committee is therefore asked to approve the removal of the 7 actions noted as completed (Blue status), note 2 action categorised as Green status and note no actions categorised as Yellow status on the action log.

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AUDIT AND RISK ASSURANCE COMMITTEE ROLLING ACTION LOG



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Minute Ref	Action	Lead	Due Date	RAG Status	Completion Date	Position Statement
Meeting Date: 14 October 2021						
Item 7.1.6	Final Audit Report on Remote Working: To confirm with ICT colleagues to provide clarification on the status of the multi factor authentication (MFA) project.	JT	January 2022		January 2022	Completed (20/01/2022): Current position: MFA we have 2,383 accounts completed which is approximately 30% of all users. ICT are currently going through a quick quote procurement for tokens for all other users comprising firefighters and control staff who need an additional means of multi factor authentication as they are not allowed to have their mobile phones in the workplace. Rollout of the tokens will take into 2022/23.
Item 7.2.3	Progress Update – Internal Audit Recommendations: Recommendation 4 (Water Planning), the Committee would welcome an update at the next meeting (January 2022).	DJ	January 2022			Update (20/01/2022): An Audit Spotlight was provided to the Good Governance Board on 14 December 2021 detailing actions still to be progressed in relation to the Water Planning Audit. Meeting arranged with Azets and Acting Director of Finance and Procurement on 12 January and further information will be provided to ARAC following this discussion.
Item 7.2.4	Progress Update – Internal Audit Recommendations: Committee have asked for some focus to be given around recommendations where there are multiple date changes and to report back at the next meeting.	Azets	January 2022			Update (20/01/2022): A meeting has been arranged between Azets and SFRS senior management to discuss long outstanding recommendations. This is scheduled to take place on 12 January 2022.

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Item 9.3	Audit Dimensions and Best Value for the Year Ended 31 March 2021: JT to provide details of these revisions to the next meeting	JT	January 2022		January 2022	Completed (20/01/2022): Agreed action plan revision dates with Deloitte: <ul style="list-style-type: none"> • 1.3 Financial Reporting - 31/03/2023 • 1.4 Savings Plan - 31/03/2023 • 2.3 Financial Planning – 31/03/2023 • 2.4 Financial Planning – 31/03/2023
Item 10.3	Draft Anti-Fraud and Corruption Policy: Copy of the Terms of Reference for the Good Governance Board to be circulated to Committee members.	RW	January 2022		October 2021	Update (20/01/2022): Terms of Reference circulated by email on 15 October 2021.
Item 10.4	Draft Anti-Fraud and Corruption Policy: DJ advised that Committee that advice had been sought from Legal Service regarding this term and would confirm the wording used and notify the Chair outwith the meeting.	DJ	January 2022		October 2021	Completed (20/01/2022): Information provided to the Chair and Deputy Chair.
Item 11.3	Draft Risk Management Policy: Build into the risk reporting for the January meeting a specific update on progress of the Portfolio Office alignment process for risk reporting.	DJ	January 2022		January 2022	Completed (20/01/2022): Information will be contained within ARAC Risk Report for January 2022.
Item 12.2	Quarterly Update of Gifts, Hospitality and Interests Register: Chair and David Johnston to hold off table conversation which will consider areas to be reported on at January meeting to provide broader assurance around additional actions being taken where interests are reported.	BB/DJ	January 2022		January 2022	Completed (20/01/2022): Discussion held with Chair of ARAC and DJ with information to be provided to ARAC in January 2022 as part of GHI Report.
Item 13.1.4	Overview of Strategic Risk Register and Aligned Directorate Risks: BB and DJ to discuss the format of the report further outwith the meeting.	DJ	January 2022		January 2022	Completed (20/01/2022): Discussion held with Chair of ARAC and DJ regarding continued development of risk report format.

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/01-22

Agenda Item: 7.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	SFRS INTERNAL AUDIT PROGRESS REPORT						
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	To provide a summary of progress in the delivery of the 2021/22 Internal Audit plan.						
2	Background						
2.1	This report is intended to enable the Audit and Risk Assurance Committee (ARAC) to consider the progress to date in the delivery of the audit plan for 2021/22.						
3	Main Report/Detail						
3.1	To provide confirmation of the progress made in relation to all audits contained within the 2021/22 agreed audit plan and to confirm that the audit programme is generally progressing as planned, although we are recommending that the Workforce Planning (Retained Duty System (RDS) Firefighters) review is deferred to 2022/23.						
4	Recommendation						
4.1	To note the contents of the report and to consider our proposal to defer the Workforce Planning (RDS Firefighters) review and use the budget allocated to this review for the investigation into the misappropriation of Smoke Detectors and Trauma Bags.						
5	Key Strategic Implications						
5.1	Risk						
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.						
5.2	Financial						
5.2.1	There are no direct implications associated with the report.						
5.3	Environmental & Sustainability						
5.3.1	There are no direct implications associated with the report.						
5.4	Workforce						
5.4.1	There are no direct implications associated with the report.						
5.5	Health & Safety						
5.5.1	There are no direct implications associated with the report.						

5.6	Training	
5.6.1	There are no direct implications associated with the report.	
5.7	Timing	
5.7.1	The report notes progress in relation to audits to be undertaken in the 2021/22 financial year.	
5.8	Performance	
5.8.1	Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.	
5.9	Communications & Engagement	
5.9.1	Individual reports are issued and agreed with management for each of the audit assignments contained within the progress report and are presented separately to the Audit and Risk Assurance Committee throughout the year.	
5.10	Legal	
5.10.1	There are no direct implications associated with the report.	
5.11	Information Governance	
5.11.1	Collection or use of personal data has not been required in the preparation of the Internal Audit Progress Report. For this reason, a Data Protection Impact Assessment has not been required.	
5.12	Equalities	
5.12.1	For each audit assignment, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable in respect of any recommendations made.	
5.13	Service Delivery	
5.13.1	There are no direct implications associated with the report.	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix A – Internal Audit Progress Report (January 2022)	
Prepared by:	Gill Callaghan, Senior Manager, Azets	
Sponsored by:	John Thomson, Acting Director of Finance and Procurement	
Presented by:	Matthew Swann, Associate Director, Azets	
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For Scrutiny</i>



Scottish Fire & Rescue Service

Internal Audit Progress Report

January 2022



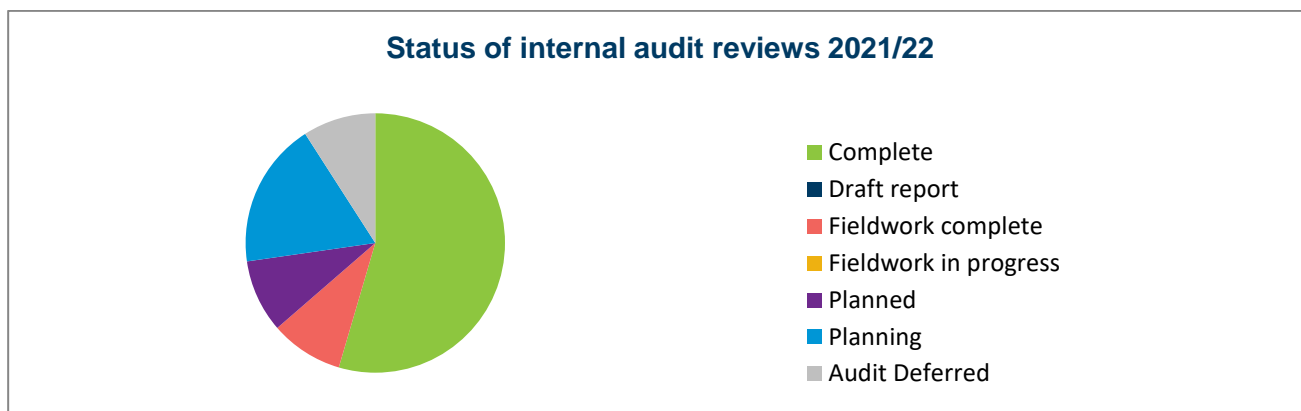
Scottish Fire & Rescue Service

Internal Audit Progress Report

Summary	1
2021/22 audit plan progress	2
KPI status	4

Summary

This paper provides the Audit and Risk Assurance Committee with a summary of internal audit activity since its last meeting.



Audits completed since last Audit and Risk Assurance Committee meeting

The following audits have been completed since the last Audit and Risk Assurance Committee meeting:

- Learning and Development (Leadership Programme); and
- Fire Safety Enforcement

Action for Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee is asked to note the contents of this report. We also invite any comments on the format or content of this report.

Gary Devlin, Audit Partner	gary.devlin@azets.co.uk	0131 473 3500
Matt Swann, Associate Director	matthew.swann@azets.co.uk	0131 473 3500
Gill Callaghan, Senior Manager	gill.callaghan@azets.co.uk	0131 473 3500

2021/22 audit plan progress

Ref and Name of report	Days	Current status	Planned ACC	Actual ACC
D4. Remote Working	25	Complete	Oct 21	Oct 21
C3. Fire Safety Enforcement	14	Complete	Jan 22	Jan 22
B1. Learning and Development	15	Complete	Jan 22	Jan 22
E2. ICT and Data Security Follow Up	10	Fieldwork Complete	Mar 22	-
D3. Workforce Planning	18	Audit Deferred (See below)	N/A	-
C5. Environmental Sustainability	12	Planned	Mar 22	-
C4. Programme Office	20	Planning	Jul 22	-
F1. Follow up of outstanding recommendations Q1	2.5	Complete	Jul 21	Jul 21
F1. Follow up of outstanding recommendations Q2	2.5	Complete	Oct 21	Oct 21
F1. Follow up of outstanding recommendations Q3	2.5	Complete	Jan 22	Jan 22
F1. Follow up of outstanding recommendations Q4	2.5	Planning	Mar 22	-
G1. Annual report	n/a	n/a	Jul 22	-

Key:	Description
Complete	Audit work complete and report has been agreed and finalised
Draft Report	A draft report has been issued
Fieldwork complete	The audit work is complete but the draft report has not yet been issued.
Fieldwork in progress	The audit work is in progress.
Planned	The scope and timing of the audit has been agreed with management
Planning	The scope and/or timing of the audit has yet to be agreed with management
Audit Deferred	Audit assignment deferred to following year

Deferral of Workforce Planning (RDS Firefighters) Review

We are recommending that the Workforce Planning (RDS Firefighters) review is deferred to 2022/23. Initial scoping discussions with senior management revealed that the Workforce and Strategic Resourcing Plan 2018-2021 which includes RDS Firefighters currently needs to be developed to reflect current needs. A number of potential areas for the scope of the review were discussed but at each point it appeared that work was either at the preliminary stages, work in progress and/or there were issues of which SFRS management are already aware so an audit at this stage may not be particularly helpful. There did not appear to be sufficient progress to review at this stage where we feel that we could add value. We are of the opinion that this is a question of the timing of the review and believe that next year the service will be further along with a new Workforce and Strategic Resourcing Plan as well as further progress in relation to the Service Delivery Model Programme which will be the catalyst for further change going forward.

The deferral of this review will not impact our ability to provide an annual opinion on SFRS's governance, risk management and internal control frameworks.

We suggest that, in the absence of another auditable area which we can substitute for this review, the budget allocated to this audit assignment is used for the investigation into the misappropriation of smoke detectors and trauma bags.

KPI status

KPI description	Performance standard	Status	Comments
1. Actual v planned hours per audit	Audits completed within days approved by ARAC	AMBER	All audits completed within agreed allocated days * See notes below
2. Cost of service by grade	Allocation of time per grade as agreed with management and provided for approval prior to invoicing	GREEN	All invoices have been approved prior to being issued by Azets
3. Cost per audit	Costs per audit based on allocated staff undertaking audits	GREEN	
4. Completion of customer feedback on each audit demonstrating satisfactory performance	Risk and Audit Manager to hold post audit discussion with key contacts	GREEN	Key matters to be fed back to Azets at quarterly contract management meetings, with agreed actions implemented to drive further improvement in service delivery.
5. Percentage of follow up recommendations completed on time	For recommendations raised by Azets 90+% of recommendations completed within agreed timescales	GREEN	Discussions have been held with management to ensure completion dates are prompt but realistic.

Key

RED	More than 15% away from target
AMBER	Within 15% of target
GREEN	Achieved

- It was agreed that an additional 1 day could be used from the contingency budget allocation for our attendance at the special ARAC meeting held on 26 August 2021.
- Remote Working Review – an additional 1.5 days was used to attend additional meetings and make further amendments to the audit report due to a query raised by SLT after the report had been finalised.
- Fire Safety Enforcement Review – an additional 2.25 days was required due to extra time taken to request and obtain information in relation to the reporting of fire safety hazards.

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Scottish Fire and Rescue Service

Internal Audit Report 2021/22

Fire Safety Enforcement

December 2021



Scottish Fire and Rescue Service

Internal Audit Report 2021/22

Fire Safety Enforcement

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Audit Sponsor	Key Contacts	Audit team
<i>Stuart Stevens, Director of Service Delivery</i>	<i>David Dourley, Protection Area Commander</i> <i>Garry Marshall, Head of Fire Safety Enforcement</i>	<i>Gary Devlin, Partner</i> <i>Matthew Swann, Associate Director</i> <i>Gillian Callaghan, Senior Audit Manager</i> <i>Lilitha Konini, Internal Auditor</i>

Executive Summary

Conclusion

In general, SFRS has established a sound framework for fire safety enforcement with local delivery plans setting out annual risk-based programmes of fire safety audits and appropriate sanctions being imposed when breaches are found. In addition, appropriate reporting arrangements were found in respect of performance and progress relating to fire safety enforcement activities.

Three areas for improvement were identified, the most significant of these being the need to ensure the process for dealing with reports of fire safety hazards is clear and formally documented including the need to log all reports received locally and the need to ensure the process is clear for members of the public who wish to report a hazard or breach of legislation. The remaining areas for improvement related to the need to review and update procedures and to maintain a central register of training undertaken by Fire Safety Enforcement Officers. Implementation of our recommendations will enhance controls over fire safety enforcement within SFRS.

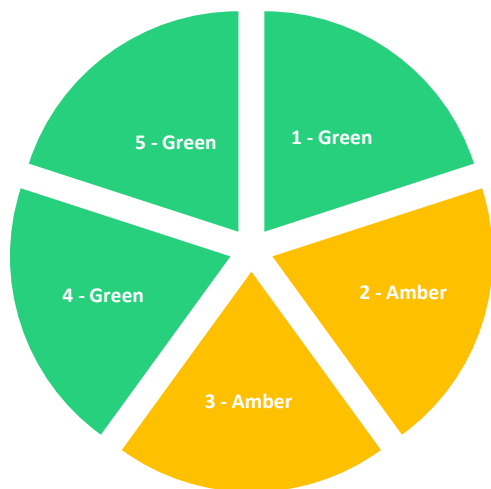
Background and scope

SFRS is responsible for enforcing fire safety within Scotland under Part 3 of the Fire (Scotland) 2005. Each year a risk-based programme of visits is carried out by Fire Safety Enforcement Officers with the aim of ensuring that the necessary steps have been taken to manage fire hazards within organisations' premises. Additionally, SFRS is required to respond to any reports of fire hazards. SFRS has the authority to impose various sanctions in relation to any breaches in fire safety ranging from fines which are issued by the courts to prohibition notices. In more serious cases of non-compliance, SFRS will liaise with the Crown Office Procurator Fiscal Service (COPFS) and may submit a report to the COPFS who in turn may instigate legal proceedings. All SFRS reports submitted to the COPFS will be processed via the SFRS legal department.

As a result of restrictions imposed by the Scottish Government in response to the COVID-19 pandemic, a process was introduced in July 2020 so that fire safety audits could be carried out remotely. As these restrictions were gradually lifted, SFRS continued to carry out a hybrid programme of visits with some audits being carried out in person and some performed remotely.

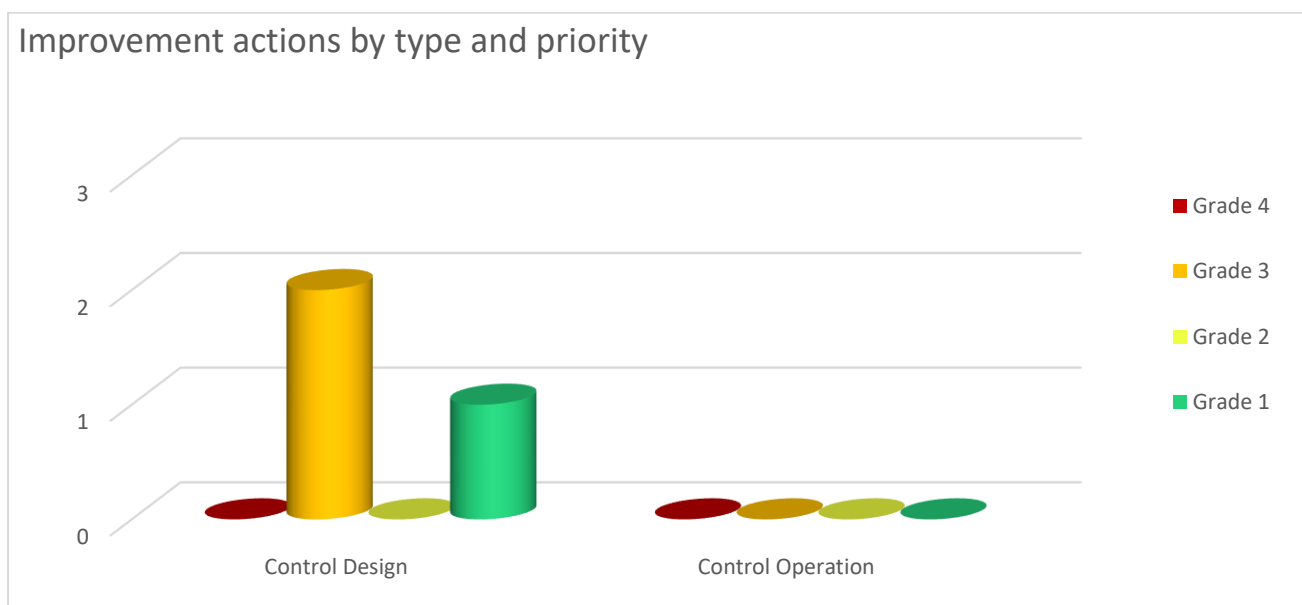
In accordance with the 2021/22 Internal Audit Plan, we reviewed the controls in place over Fire Safety Enforcement to ensure that SFRS is meeting its statutory responsibilities in this area.

Control assessment



- 1. An appropriate governance framework is in place in relation to fire safety enforcement including relevant policies and procedures and structures to support the implementation of national policy in this area.
- 2. A planned, risk-based programme of fire safety visits is carried out in an effective and efficient manner by appropriately trained Fire Safety Enforcement Officers.
- 3. Appropriate arrangements are in place to respond to any reports of fire safety hazards.
- 4. Appropriate sanctions are imposed in relation to any breaches in fire safety identified and any actions taken are subject to appropriate authorisation and, where relevant, legal advice.
- 5. Appropriate management information and reporting arrangements are in place in respect of the progress of the planned programme of visits and the outcome of actions taken as well as any follow up action required.

Improvement actions by type and priority



Three improvement actions have been identified from this review, all relating to the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SFRS' procedures reflect good practice in a number of areas:

- The Fire Safety Enforcement (Protection) Framework for Scotland 2021 provides a sound basis for fire safety enforcement activities across the service ensuring compliance with relevant legislation and regulations.
- Local Enforcement Delivery Plans set out a risk-based programme of audits to be carried out during the year.
- For the sample of cases we examined, appropriate sanctions had been imposed in relation to any breaches in fire safety identified and any actions taken were subject to appropriate authorisation and, where relevant, legal advice.
- Reporting arrangements reflect good practice as fire safety enforcement is reported not only to management but to the Board regularly.

Areas for improvement

We have identified three areas for improvement which, if addressed, would strengthen SFRS's control framework in this area:

- The need to ensure the process for dealing with reports of fire safety hazards is clear and formally documented including the need to log all reports received. In addition, the need to ensure the process is clear for members of the public who wish to report a hazard or breach of legislation.
- The need to review and update procedures in a timely manner.
- The need to maintain a central register of training undertaken by FSEOs in order to ensure management have sufficient oversight of training records.

This further discussed in the Management Action Plan below.

Impact on risk register

The SFRS corporate risk register included the following risks relevant to this review:

- Ref 1: Ability to improve the safety and well-being of people throughout Scotland through the delivery of our services.
- Ref 6: Ability to ensure legal and regulatory compliance.

We raised a small number of findings in this review and by addressing those findings, this will strengthen the controls for the risks identified.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: An appropriate governance framework is in place in relation to fire safety enforcement including relevant policies and procedures and structures to support the implementation of national policy in this area.



Green

1.1 Policies and Procedures

The overarching document covering fire safety within SFRS is the Fire Safety Enforcement (Protection) Framework for Scotland 2021 which was last subject to review in May 2021. The framework sets out the principles, policies and priorities for the delivery of fire safety enforcement (Protection) throughout Scotland.

Under the framework, each local area has their own Local Enforcement Delivery Plan (LEDP) in place. The plans are produced at the start of each year to ensure local resources are directed to the premises most at risk in that area. We examined a sample of LEDPs and confirmed that they had been produced in line with current national policies and procedures. In addition, they all referenced the Fire (Scotland) Act 2005 and the risk-based approach that is required by the framework.

The main procedural document in relation to fire safety enforcement is the Audit Procedure and Guidance document. Part one covers Part 3 of the Fire (Scotland) Act 2005 which sets out the legislative requirements governing fire safety in non-domestic premises in Scotland.

A Remote Audit Procedure dated July 2020 was also introduced as a consequence of the restrictions imposed by the Scottish Government in response to the COVID-19 pandemic. Its purpose was to ensure that SFRS could still fulfil their duties governed by the 2005 Act throughout periods of the national lockdown. The scope of the procedure includes the highest priority premises: care homes, hospitals, unfamiliar sleeping accommodation, and other premises locally identified as requiring a follow-up or initial inspection. The scope also includes premises where visits are required as a matter of urgency.

We note that the Audit Procedure and Guidance document and the Remote Audit Procedure were due for review in May and July 2021 respectively. However, at the time of audit fieldwork they had not yet been subject to review. We understand that management are planning to review and merge the procedural documents.

Risk

There is a risk that without timely review and update of procedures, staff could be following procedures that are no longer relevant or do not reflect current practice/legislation.

Recommendation

As planned, management should review and update the Audit Procedure and Guidance and Remote Audit Procedure documents.

Management Action**Grade 1
(Design)**

The revised Fire Safety Enforcement Procedure is currently in draft and scheduled for publication early 2022. The review of Audit Procedures, (including the Remote Audit option), is also in progress and will be published during Q4 21/22.

Action owner: GC Garry Marshall**Due date:** 31 March 2022

Control Objective 2: A planned, risk-based programme of fire safety visits is carried out in an effective and efficient manner by appropriately trained Fire Safety Enforcement Officers.


 Amber

2.1 Central Training Log

All Fire Safety Enforcement Officers (FSEOs) are required to complete an eight-week training programme. The aim of this training is to provide the FSEOs with key knowledge related to fire safety, such as relevant legislation and guidance in place as well as the fire safety audit procedures. We were advised that the training also incorporates Fire Safety Modules and that current staff who have completed the existing module provision will be subject to a Requisite Prior Learning course in order to ensure the new NFCC competency level (level 4 diploma) is met. Furthermore, all newly recruited staff will undertake a Level 4 diploma module course. All training will align to and acknowledge the NFCC competency framework.

Staff training records are held in their own personal work files. A central register of the fire safety training undertaken by staff is not maintained. Consequently, as two officers were on annual leave at the time of the review, we were unable to verify that they had completed the required training as we could not access their training records.

Risk

Failure to maintain a central register of the fire safety training undertaken by FSEOs increases the risk of officers not having received the most up to date training as records are not readily accessible to management.

Recommendation

A central register of training undertaken by FSEOs should be maintained in order to ensure that management have sufficient oversight of training records.

Management Action


 Grade 3
(Design)

A record of competency will be created to capture qualifications and CPD activity for each FSEO. Local F+P&P teams will routinely update the register to provide a current "state of the nation" snapshot capability.

Action owner: GC Garry Marshall

Due date: 31 March 2022

Control Objective 3: Appropriate arrangements are in place to respond to any reports of fire safety hazards.

3.1 Hazard and Breach Reporting Procedure

There is a process in place for members of the public to report a fire safety hazard to SFRS. However, this process has not been formalised within a documented procedure nor is the process made clear to members of the public on the SFRS website. As it stands, fire safety hazards and breaches can be reported to SFRS through general enquiries on the website or by telephone/email. This is then passed on to the relevant area to be dealt with by their local fire safety enforcement team.

When a report of a fire safety hazard is received by the local area, this is not currently logged upon receipt. We were advised that when cases are passed on there is a record of the case held within the PPED system. However, a report of a fire safety hazard will only be recorded within PPED if action is taken by the local fire safety enforcement team. If no further action is taken, a record is not maintained locally.

We obtained a sample of reports and confirmed that the fire safety hazard reports were dealt with in an appropriate time frame and that appropriate documentation had been retained for each case examined.

Risk

There is a risk that members of the public may not know how to report fire safety hazards as the website is not clear on this resulting in these hazards going unreported. There is also a risk that fire safety breaches may not be dealt with in a consistent manner due to the lack of a clear and documented procedure in place. Finally, the failure to log all reports of fire safety hazards received by the local areas increases the risk of a potential breach being overlooked which could lead to financial loss and severe damage to SFRS's reputation should the breach result in a fire and ultimately result in harm or loss of life.

Recommendation

The SFRS website should be updated to make it clearer to the public as to how they can report a fire safety hazard. In addition, the fire safety hazard reporting process should be formalised within a documented procedure to ensure that these reports are dealt with in a consistent manner throughout the service. This should include the need to log all reports of fire safety hazards received locally. This log should record details such as the date the report is received, the type of fire safety hazard, the officer to whom the report is allocated, action taken and/or reason given for not pursuing the report. This log should be regularly monitored to ensure that all reports are dealt with appropriately.

Management Action**Grade 3
(Design)**

FSE will review the current public facing website to ensure that reporting of fire safety issues is appropriately signposted. Furthermore, a detailed procedure to be followed will be provided to all staff to ensure consistency, accuracy and recording of all fire safety related complaints

Action owner: GC Garry Marshall**Due date:** 31 March 2022

Control Objective 4: Appropriate sanctions are imposed in relation to any breaches in fire safety identified and any actions taken are subject to appropriate authorisation and, where relevant, legal advice.



No weaknesses identified

Sanctions are allocated on a points-based system. The number of points corresponds to the enforcement level. The FSEO reserves the right to alter the enforcement level based on certain factors such as a negative attitude being demonstrated by the premise's management or where an audit has received a relatively low score, they may issue an FSA2 notice with all the minor improvement actions to be made even though this is not required.

Following a fire safety audit all paperwork and findings are reviewed by the Prevention and Protection Manager prior to the outcome being reported to the premises/building owner or manager. The PPED system, where all audits are logged, will not allow an audit to be classed as "complete" until it has been reviewed by a manager. If required, legal advice can be sought from SFRS's in-house legal team.

We confirmed that all audits sampled resulted in appropriate enforcement action based on the compliance level and score allocated, and that this had been subject to appropriate management review. We are, therefore, satisfied that SFRS have imposed appropriate sanctions where there have been breaches of fire safety.

Control Objective 5: Appropriate management information and reporting arrangements are in place in respect of the progress of the planned programme of visits and the outcome of actions taken as well as any follow up action required.

A green circular icon with the word "Green" written inside in white text, indicating a positive status or compliance.

No weaknesses identified

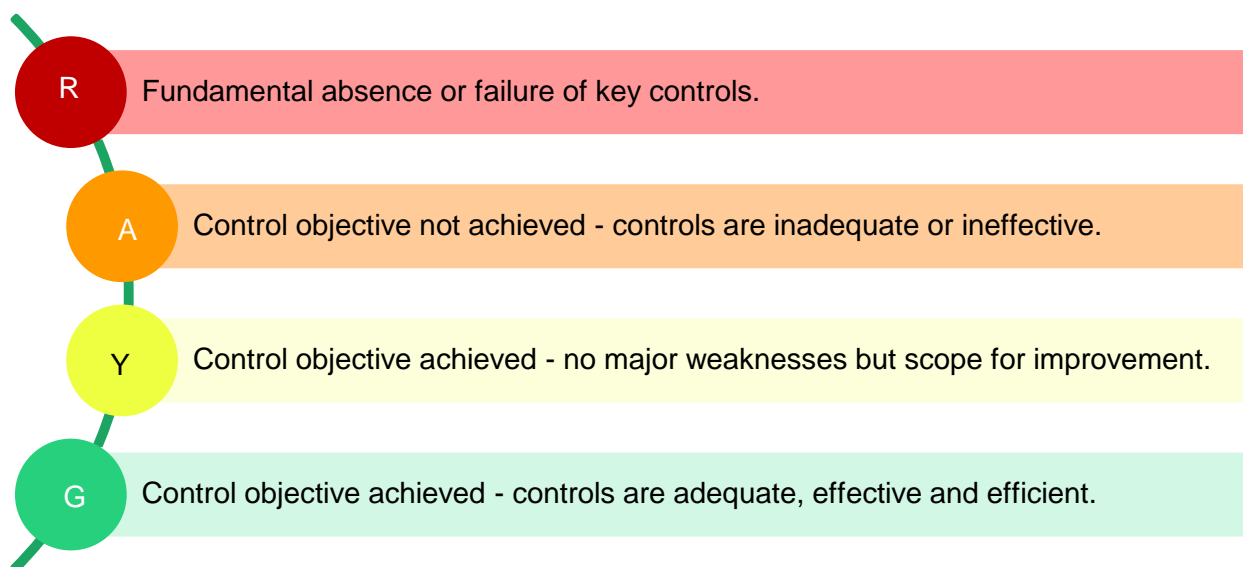
Each service delivery area (SDA) is responsible for monitoring their own progress and performance. This feeds into the performance reports that show each area and their progress towards their individual targets. The performance reports are produced monthly. Where a particular area is under-performing the Head of Fire Safety Enforcement will ensure this is discussed with prevention and protection managers at their area liaison meeting with consideration given to potential ways of improving performance.

We were advised that each SDA's progress and performance is also scrutinised at a national level by the Director via the SD Continuous Improvement Forum.

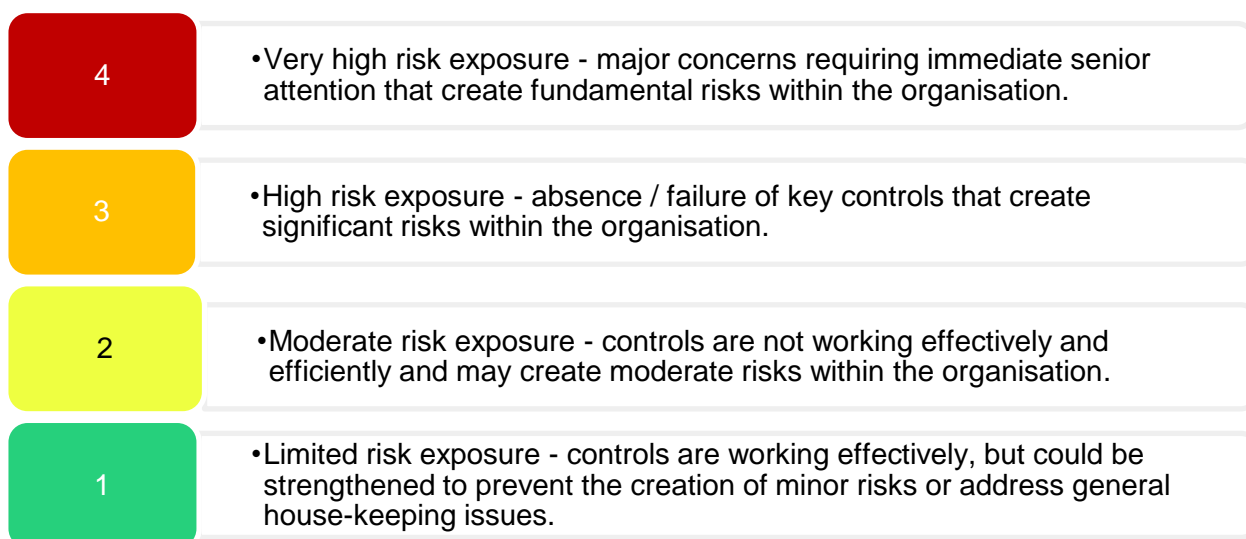
The SFRS Board meets eight times a year. As part of its agenda, the quarterly Combined Risk and Performance Report (CRPR) is scrutinised. This report contains updates on actions taken in relation to Fire Safety Enforcement and progress made against objectives.

Appendix A – Definitions

Control assessments



Management action grades



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Scottish Fire and Rescue Service

Internal Audit Report 2021/22

Learning and Development (Leadership Programme)

December 2021



Scottish Fire and Rescue Service

Internal Audit Report 2021/22

Learning and Development (Leadership Programme)

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Audit Sponsor	Key Contacts	Audit team
<i>Liz Barnes, Director of People and Organisational Development</i>	<i>Ceri Dodd, Deputy Head of People and Organisational Development</i>	<i>Gary Devlin, Audit Partner</i> <i>Matt Swann, Audit Associate Director</i> <i>Gill Callaghan, Senior Audit Manager</i> <i>Holly Clayton-Littler, Internal Auditor</i>

Executive Summary

Conclusion

Controls over SFRS's leadership programmes were generally found to be operating effectively with appropriate arrangements in place to inform the content of the training programmes and for identifying which staff should attend the programmes at the relevant levels. We have identified two minor areas for improvement relating to feedback and evaluation of training. The first relates to the need to consider how to maintain a high response rate following participation in virtual learning programmes. The second relates to how to inform staff of the improvement actions being taken as a result of the feedback they have provided. Implementation of these recommendations will further enhance controls over this area.

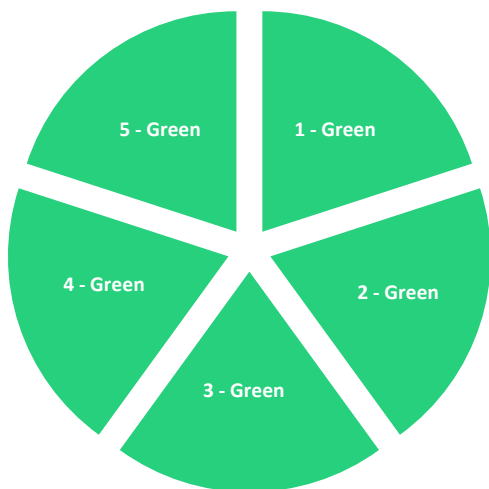
Background and scope

In order to ensure staff are effective in carrying out their duties and are well motivated, it is essential that any training needs they have are identified and that appropriate training is delivered in an effective and cost efficient manner.

Since 2017-18, SFRS has gradually been developing its leadership programme. The programme was initially devised to develop staff into leadership roles in response to a significant number of officers in senior management positions being due to retire. As part of the programme, officers are required to attend an internally held assessment centre. There are different levels of leadership programme depending on the seniority of the staff involved and, as a result of the COVID-19 pandemic, many elements of the programmes are now available to complete online.

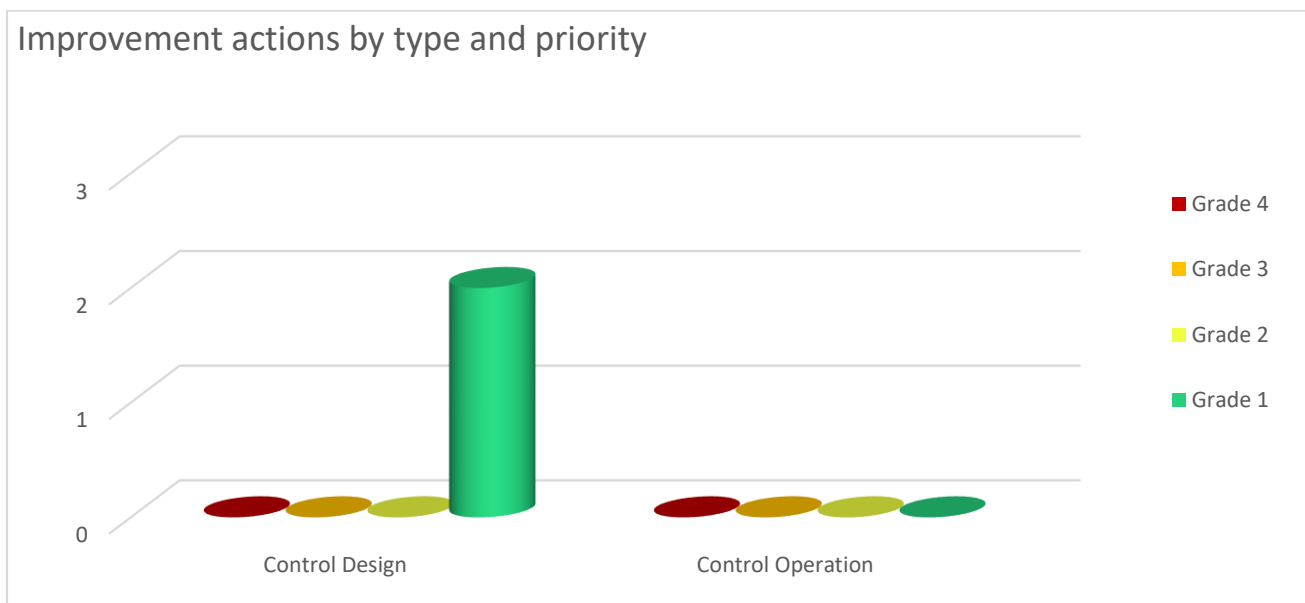
In accordance with the 2021/22 Internal Audit Plan, we reviewed the controls in place to identify training needs and deliver leadership training. This review focussed on training delivered under the leadership training programme only. The training requirements for other members of staff was not be covered in this review.

Control assessment



- 1. Training needs for potential leaders are identified with a programme of suitable training developed which aligns with SFRS's overall strategy for learning and development and other related plans and strategies.
- 2. All staff eligible for the leadership training programme are identified so that they receive the appropriate training and are developed to their full potential.
- 3. Due consideration is given to selecting the most effective and cost efficient methods of training delivery in respect of the leadership training programme including online learning and collaboration with other emergency services.
- 4. On completion of the training, feedback is obtained on the effectiveness of the training given and analysed to ensure continuous improvement of the programme.
- 5. Appropriate management information and reporting arrangements are in place in respect of the progress and effectiveness of the leadership training programme and this is scrutinised at an appropriate level.

Improvement actions by type and priority



Two improvement actions have been identified from this review, both of which relate to the design of existing controls, rather than the compliance with procedures. See Appendix A for definitions of colour coding.

Key findings

Good practice

We have gained assurance that SFRS's procedures reflect good practice in a number of areas:

- The content of the Leadership development programme for each level is selected by the Leadership and Skills Development Team based on strategic objectives and core values. The team also meet with managers and departments to ascertain what the relevant needs, responsibilities and requirements are and incorporate this into the training.
- SFRS use the financial investment schedule alongside the Commodity strategy to set how they expect to procure and deliver training and the target investment approach for different teams, areas and levels of management in line with the strategy.
- Local Management Review Groups sit quarterly to review management information and feedback. Progress is reviewed quarterly by the Staff Governance Committee and the Board.

Areas for improvement

We have identified two minor areas for improvement which, if addressed, will strengthen SFRS's control framework over this area. These are:

- A need to ensure that staff provide feedback following participation in a virtual learning programme in order to maintain a high response rate and ensure that opportunities to identify areas for improvement are maximised.
- Devise a method of informing staff of the improvement actions being taken as a result of the feedback they have provided in order to demonstrate that their feedback is valued and, where appropriate, is being acted upon.

These are further discussed in the Management Action Plan below.

Impact on risk register

SFRS's corporate risk register included the following risk relevant to this review:

- 5 – Ability to have in place a suitable skilled, trained and motivated workforce that is well supported both physically and mentally.

We found that the processes in place to mitigate the above risk when considering the Leadership and Development Programmes are in place and functioning effectively with the risk being appropriately mitigated.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

Management Action Plan

Control Objective 1: Training needs for potential leaders are identified with a programme of suitable training developed which aligns with SFRS's overall strategy for learning and development and other related plans and strategies e.g. succession plans, recruitment strategies



Green

No Weaknesses Identified

In 2017/18 the SFRS created the Learning and Development framework. The purpose of the framework is *to enable the wider development of organisational performance and culture; strengthen capability, capacity and build resilience, the Leadership and Development Framework outlines the leadership pathway and suite of leadership and development interventions, including Leadership Development Programmes being proposed to develop.... employees*. Details of the framework are readily accessible to staff via the i-Hub intranet.

In October 2020 the People and Organisational Development Department introduced a Leadership Development Centre Policy. The aims and objectives of the policy clearly state the principles which form the basis for Leadership Development Centres which align with SFRS's strategic plan and emphasise SFRS's commitment to talent management as well as providing a clear path for employees' succession into leadership roles.

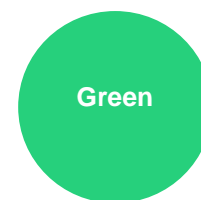
Since the introduction of the framework, SFRS has launched programmes applicable to the following levels:

- Executive level;
- Strategic level; and
- Supervisory level.

The timing of training programmes is based on need and this is reviewed as part of an ongoing process. The most recent programme for implementation is the Leadership for Change Programme for strategic and middle managers.

SFRS's core values are built into each leadership development programme. When developing the programmes, the Leadership and Skills Development team meet with managers and departments in order to discuss responsibilities and their training requirements. In addition, the People and Organisational Development Department has developed recruitment strategies and succession plans and the Leadership and Skills Development team ensure that due consideration is given to these when developing and planning programmes.

Control Objective 2: All staff eligible for the leadership training programme are identified so that they receive the appropriate training and are developed to their full potential



No Weaknesses Identified

There are various methods via which staff are identified for inclusion on the relevant leadership training programme. Firstly, SFRS identifies eligible groups for further development through the annual learning needs analysis process.

Line managers can also nominate their staff for the leadership development programme and on occasion, ad hoc requests for promotional training come to the Leadership and Skills Development Team through the workforce planning and resourcing team.

When the resourcing team run promotional campaigns, they identify those staff who have applied for but have not yet been successful in gaining promotion. These employees are placed into a 'pool' until another more senior position becomes vacant for which they can be considered. Whilst they are in the 'pool' they are also given the opportunity to advance via the leadership development programme in anticipation of any future promotion.

Control Objective 3: Due consideration is given to selecting the most effective and cost efficient methods of training delivery in respect of the leadership training programme including online learning and collaboration with other emergency services

No weaknesses identified

The Leadership and Skills Development team have developed a financial investment schedule, which sets out the target investment approach for different teams, areas and levels of management in line with the overall strategy and Leadership and Development Framework. The Commodity strategy was first devised in March 2020 and updated in May 2021. The strategy sets out the investment structure in place to support the implementation of the Leadership and Development Framework. The strategy highlights the current contract status and spend analysis for each training supplier and indicates how they expect to procure training. The delivery of training is also detailed within the Project Implementation plan with the desired outcome and benefits of each training type highlighted.

The content of training and leadership development programmes is informed through the Learning and Development Framework. The aim of the training is to mirror the type of leadership required at that level and so the content of that training will be selected to achieve this in line with the budget and overall strategy.

SFRS also collaborates with Police Scotland, the Scottish Ambulance Service, Universities, National Boards and Institutes to procure and deliver training. Although the Scottish Emergency Service partners are not yet fully ready to participate in the Leadership Development Programme, the collaborative contracts in place will give greater opportunity to achieve savings.

Control Objective 4: On completion of the training, feedback is obtained on the effectiveness of the training given and analysed to ensure continuous improvement of the programme.

4.1 Evaluation Sheets

One method that the SFRS use to gather feedback on training is by providing each participant with an evaluation sheet for completion so that they can feedback their experiences with the leadership programme and suggest improvements.

Of the 11 participants that underwent the recent leadership and development programme, we found that 8 individuals had completed an evaluation sheet. Although a 73% completion rate is a reasonable level of response, due to the low numbers of participants in the training programme there is an increased importance placed on receiving individual feedback.

We were advised by management that this was the first time that the above course had been delivered virtually and that virtual feedback forms were issued with the return rate reflecting the transition to virtual learning.

Risk

There is a risk that management are not gaining full and complete feedback on the leadership development programmes leading to potential opportunities for improvement being missed.

Recommendation

With the transition to virtual learning, management should devise a target response rate in relation to staff submission of feedback following training and take appropriate action should the target response rate not be achieved. This will assist in ensuring a consistently high rate of return is achieved.

Management Action

Implement a target response rate of 90% for submission of feedback following leadership, learning and development programmes.

Action owner: Anne Gordon

Due date: 31 March 2022

Grade 1
(Design)

4.2 Actions

Once the evaluation sheets have been completed a comprehensive evaluation report is produced. This sets out the training provided, progress against targets and future actions. The document highlights which elements of the training the participants found useful and also displays specific comments that have been received in a readily accessible manner.

Within the Evaluation Report there is a section on Recommendations that have been suggested based on the evaluation of the participants' feedback. We believe that there would be added value in reporting these recommendations internally and the actions that have been taken to address them.

Risk

There is a risk that if the actions taken as a result of the feedback received are not reported internally, staff will remain unaware of the improvements being made. This could lead to participants believing that their feedback is not being listened to or acted upon with improvements to training programmes not being implemented.

Recommendation

The Leadership and Skills Development Team should internally report the improvement actions being taken as a direct consequence of the feedback received in the training evaluation forms. For example, an article could be posted on the intranet showing 'We received these recommendations last year and these are the actions we have taken'. This would reinforce the importance of feedback and demonstrate to staff that they are being listened to and could also encourage potential applicants to take part in the leadership programmes.

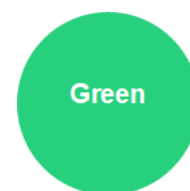
Management Action

Grade 1
(Design)

Report on evaluation feedback recommendations and improvement actions progress for leadership, learning and development programmes through Learning Partner Group on a quarterly basis and iHub.

Action owner: Anne Gordon

Due date: 31 March 2022



Control Objective 5: Appropriate management information and reporting arrangements are in place in respect of the progress and effectiveness of the leadership training programme and this is scrutinised at an appropriate level.

No weaknesses identified

Performance against the Leadership and Development Framework is reviewed at various levels of seniority by:

- Local Management Review Groups;
- The Leadership and Skills Development Team; and
- The Staff Governance Committee/Board

Local Management Review Groups sit quarterly and they assess the management information that is fed back from local managers and make suggestions. Management will review the evaluation sheets and the evaluation report that documents training, progress against targets and future actions. The Management Review Groups create an action plan and disseminate out the information to their departments.

The Leadership and Skills Development Team review performance on an ongoing basis at a national level, looking at progress across all locations and report upwards to the Staff Governance Committee.

We reviewed Board meeting agendas from the last year and were able to confirm that performance on the effectiveness of the Learning and Development Framework and Leadership Programmes is reported quarterly to the Board.

The last Leadership Development Programme Centres which were held in person took place in 2019. Following these, the Staff Governance Committee were presented with the People and Organisational Development Progress and Performance Report. This was a comprehensive and detailed report that outlined the performance of the POD Directorate against the priorities set out by Scottish Government. The sections within it were divided into:

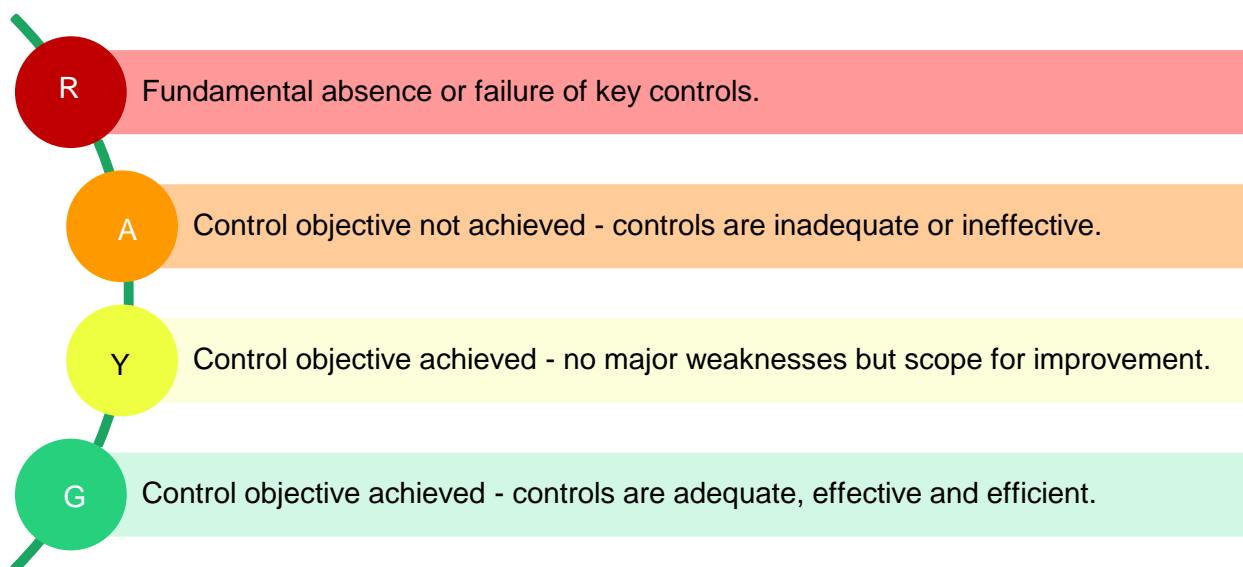
- *Talent: Deliver and regularly review the Workforce and Strategic Resourcing Plan;*
- *Support, promote and monitor the development of a positive transparent working culture;*
- *Deliver Pay, Reward and Benefits frameworks, maintaining harmonious Employee Relations;*
- *Ensure compliance with employment legislation and the application of efficient working practices;*
- *Operational readiness: training for operational competence;*
- *Health and safety: improvement plan and legislative compliance, health and safety events; and*
- *Wellbeing: managing attendance, fitness and wellbeing services.*

The report went into detail updating the Committee on progress relating to significant successes and challenges, staff forecasting and succession planning and staff competencies.

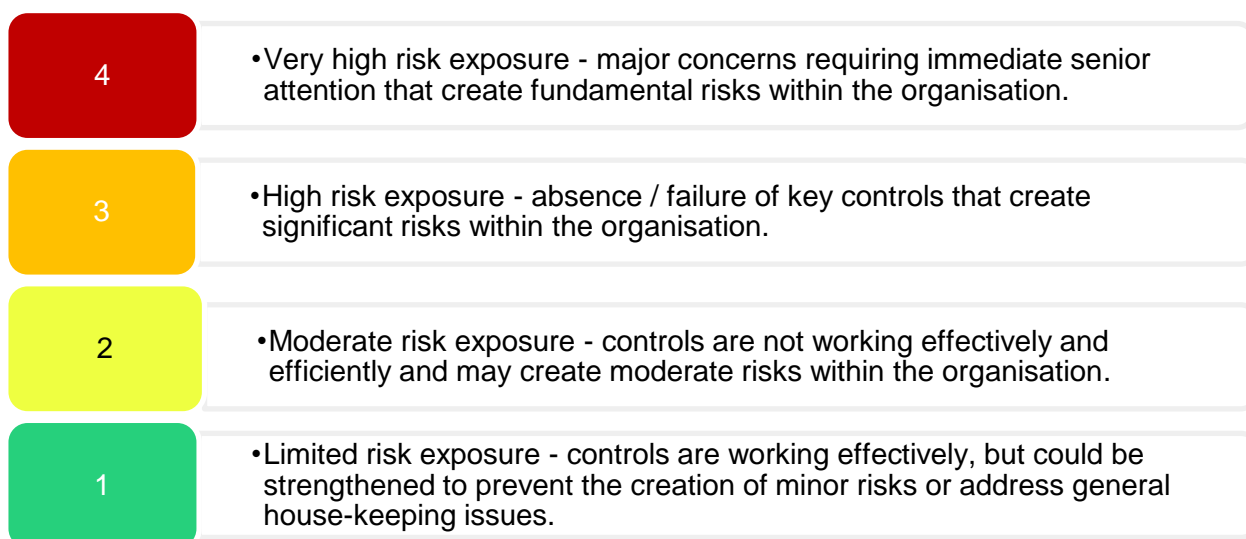
The most recent Leadership Development Programme Centre took place virtually in June 2021 with further virtual training being provided in autumn 2021. We were advised that the evaluation report in respect of the most recent centre is currently being compiled.

Appendix A – Definitions

Control assessments



Management action grades



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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/02-22

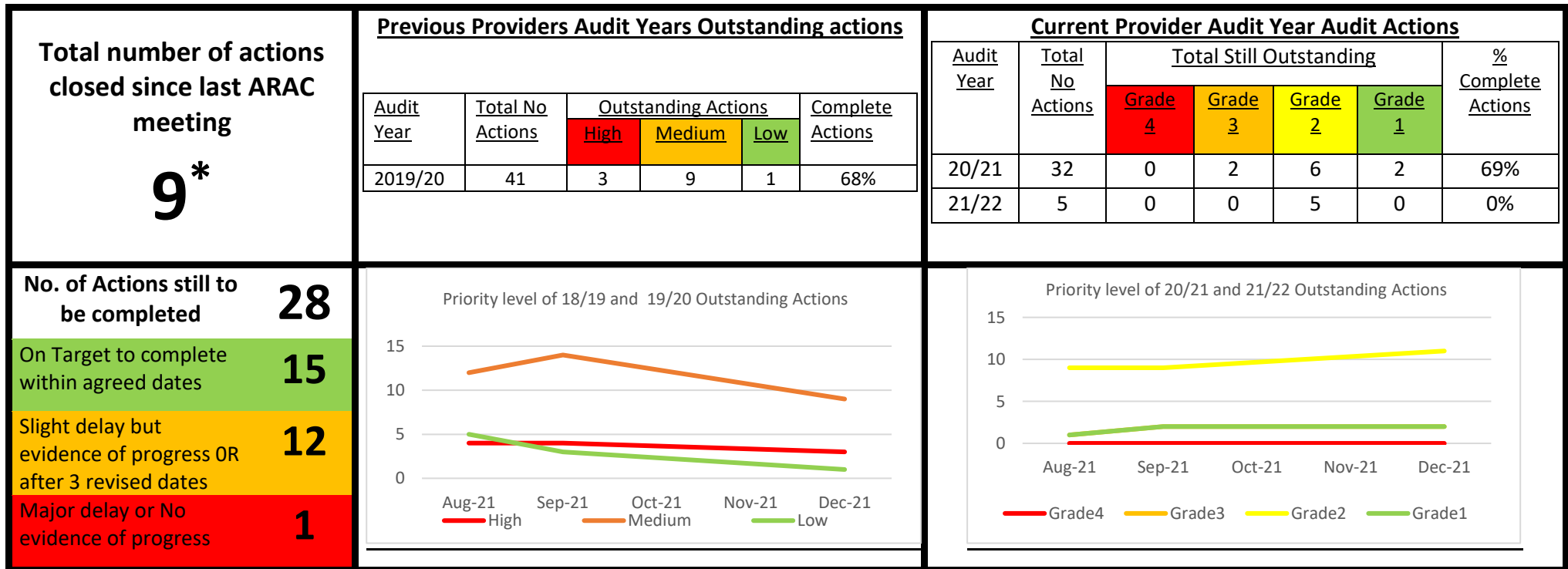
Agenda Item: 7.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	SFRS PROGRESS UPDATE/MANAGEMENT RESPONSE						
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	To provide Audit and Risk Assurance Committee (ARAC) with the current status of recommendations raised by Internal Audit.						
2	Background						
2.1	This report maintains the previous format for updates with the addition of a conclusion of the current status from Azets.						
3	Main Report/Detail						
3.1	28 recommendations remain outstanding with the oldest related to audits carried out in 2019/20. Internal Audit are working with management to assess progress and to consider the extent to which recommendations remain valid.						
4	Recommendation						
4.1	ARAC is asked to note the content of the report and consider the extended timelines noted for outstanding recommendations. The ability to close recommendations has been impacted by COVID-19 and the extent to which timelines remain realistic should be considered. A further meeting has been scheduled for 12 January 2022 to be held between Azets and SFRS senior management to discuss long outstanding recommendations.						
5	Key Strategic Implications						
5.1	Risk						
5.1.1	The internal audit programme forms part of the Service's Assurance Framework.						
5.2	Financial						
5.2.1	There are no direct implications associated with the report.						
5.3	Environmental & Sustainability						
5.3.1	There are no direct implications associated with the report.						
5.4	Workforce						
5.4.1	There are no direct implications associated with the report.						
5.5	Health & Safety						
5.5.1	There are no direct implications associated with the report.						

5.6	Training	
5.6.1	There are no direct implications associated with the report.	
5.7	Timing	
5.7.1	The report notes progress made in implementing outstanding audit actions from 2019/20 - 2021/22.	
5.8	Performance	
5.8.1	Internal audit is intended to support the service and where relevant identify areas where performance can be enhanced.	
5.9	Communications & Engagement	
5.9.1	Meetings have taken place with management to discuss the implementation of agreed audit actions and to view evidence confirming work in progress and completed actions.	
5.10	Legal	
5.10.1	There are no direct implications associated with the report.	
5.11	Information Governance	
5.11.1	Collection or use of personal data has not been required in the preparation of the Follow Up Progress Report. For this reason, a Data Protection Impact Assessment has not been required.	
5.12	Equalities	
5.12.1	For each recommendation contained within the Follow Up Progress Report, relevant directors need to consider whether an Equality and Human Rights Impact Assessment is applicable.	
5.13	Service Delivery	
5.13.1	There are no direct implications associated with the report.	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix A - Progress update	
Prepared by:	Gill Callaghan, Senior Manager, Azets	
Sponsored by:	John Thomson, Acting Director of Finance and Procurement	
Presented by:	Matthew Swann, Associate Director, Azets	
Links to Strategy and Corporate Values		
Working Together for a Safer Scotland		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For scrutiny</i>

Progress update on Internal Audit Recommendations

Dashboard – Internal Audit Recommendations Still to be Completed



*Fraud Risk Arrangement Recommendations were split into a number of management responses and an action will remain open until all responses are complete

STATUS KEY	
GREEN	On Target to complete within agreed date
AMBER	Slight delay but evidence of progress OR after 3 revised dates
RED	Major delay or No evidence of progress

Outstanding Recommendations with Responsible Action Owners provided updates

2019/20	Water Planning Arrangements	Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					High	Medium	Low	High	Medium	Low	High	Medium	Low
		7	7	43%	1	2	0	3	1	0	0	0	0
Rec No.	We recommend that the Service Level Agreement (SLA) with Scottish Water is established and agreed addressed issues around liability and costs.				Action Date Due	7th Agreed Revised Date		Priority	% Complete	Status			
1	Responsible Owner Agreed Response Response & Resilience DACO	<i>Agreement with Scottish Water and SFRS on terms and items to be carried forward for inclusion in future MOU and SLA. Draft, finalise & Sign MOU & SLA between Scottish Water & SFRS.</i>			31 March 2020	31 October 2022		HIGH	75%	AMBER			
Progress to Update		Verbal update provided at Good Governance Board meeting held on 14 th December. Progress had been on hold as resources focused on COP26 priorities, now this has finished, work will consume again.											
Outstanding actions to close the recommendation		AC Quinn to draw up draft paper proposal to settle accumulated outstanding costs presented by SW for SLT Mid-January Proposal will require approval of SLT prior to agreement. Decision on the paper content will allow SFRS to return to Scottish Water with finalised position. Agree and finalise SLA											
Azets Comments		Update noted as well as the revised date for completion.											
Rec No.	It is recommended that SFRS ensures that the requirements as detailed within the GIN are implemented consistently with the support of the Deputy Chief Officer.				Action Date Due	6th Agreed Revised Date		Priority	% Complete	Status			
2	Responsible Owner Agreed Response Response & Resilience DACO/ SM for Water Planning	<i>Consider revision of GIN to include a standardised recording document. Discussions with DCO and SDA DACOs regarding inclusion of performance monitoring within SDC quarterly reports and HMS high end user requirements to cater for LSO reporting.</i>			31 December 2019	31 October 2022		HIGH	60%	AMBER			
Progress to Update		A draft of GIN (General Information Note) being prepared ahead of ICT development (Rec 4) and can then be updated accordingly to meet the new requirements and coincide with the system rollout. Have also agreed that LCMS (Learning Content Management System) package for GETAC use include app instructions once ICT completed.											
Outstanding actions to close the recommendation		Awaiting completion of Rec 4 before publication. New revised date will also align with Rec No.4											
Azets Comments		Update noted as well as the revised date for completion.											

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Rec No.	It is recommended that the HMS system is developed as a matter of urgency to enable the hydrants information to be updated and system introduced that will enable new technologies to be considered.	Action Date Due	5 th Agreed Revised Date	Priority	% Complete	Status	
4	Responsible Owner Agreed Response SM for Water Planning/ Water Planning Team	Work with ICT to address system issues and develop system for SFRS to be rolled out across SDAs	30 June 2020	31 October 2022	HIGH	50%	AMBER
Progress to Update		Verbal update provided at Good Governance Board meeting held on 14 th December. HMS App is in the final stages of testing and development by ICT. Minor bugs/changes have been identified and these are due to be resolved in January 2022. Before the application can go into production there are two key dependencies that need to be in place, these are access to the updated corporate gazetteer and installation on the vehicle tablets. Both of these projects are subject to some delay for a number of reasons related to evolving corporate priorities and resourcing difficulties. The Gazetteer link is currently planned to be ready by end of April which will allow deployment on to Laptops and desktop devices and the in-vehicle tablet upgrades are being targeted for late summer/early autumn which will allow for deployment to begin to those devices.					
Outstanding actions to close the recommendation		Due to the delays in the development of the HMS App and this predating those now appointed with end user line management responsibility, there will be further liaison requested with ICT to confirm that this will be fit for purpose. Part 2 – Upgrades to actual HMS database would commence after phase 1 is complete					
Azets Comments		Update noted as well as the revised date for completion.					
Rec No.	It is recommended that SFRS Water Planning introduce arrangements to oversee the inspection progress and ensure that it is effectively monitored with performance reported to SDC.	Action Date Due	6 th Agreed Revised Date	Priority	% Complete	Status	
7	Responsible Owner Agreed Response Response & Resilience DACO	It was agreed to address this action in a staged approach by having discussions with DCO and SDA DACOs regarding inclusion of performance monitoring within SDC quarterly reports. And for guidance to be provided to LSO Management teams on future reporting function of HMS to monitor performance.	31 March 2020	31 October 2022	MEDIUM	75%	AMBER
Progress to Update		Initial discussions between former R&R DACO and SDA DACO's had taken place.					
Outstanding actions to close the recommendation		Guidance/process will be provided to meet the new requirements and coincide with system rollout. (Rec No. 4) New revised date will also align with Rec No.4					
Azets Comments		Update noted as well as the revised date for completion.					

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2019/20	Performance Management Arrangements	Total No	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					High	Medium	Low	High	Medium	Low	High	Medium	Low
					0	2	0	0	2	0	0	0	0
Rec No. 1b	SFRS should develop a clear plan to ensure local performance reporting is effectively developed and implemented within a timescale consistent with its risk appetite.			Action Date Due	3rd Agreed Revised Date		Priority	% Complete	Status				
	Responsible Owner Agreed Response Head of Corporate Governance (Former owner DACO Strategic Planning, Performance & Communications)	Local performance reporting is already in place. New Local Senior Officer (LSO) dashboards are in development and will be available to LSO's by April 2021. This will provide detailed local data on a variety of metrics and where appropriate this will be down to locality and ward level.			31 March 2021	31 January 2022		MEDIUM	90%	AMBER			
Progress to Update		Local data is available to view in InPhase through filters in the corporate dashboards. Agreed list of PIs for LSOs have been set at 200. These are being rationalised. An additional piece of work focused on local and operational performance is at testing phase and has been presented to Service Delivery DMT. Design of performance dashboards now ongoing with Finance, POD, Health and Safety. Business Intelligence Action Plan for 21/22 has been agreed with specific objectives and timings related to this as ongoing work Delay in the role out of new local performance dashboards due to delay in Power BI implementation/rollout											
Outstanding actions to close the recommendation		Final development of local performance dashboard/s											
Azets Comments		Update noted as well as the revised date for completion.											
Rec No. 2b	SFRS should conduct a post-implementation review of InPhase within the first 12 months to inform the longer-term plans referred to above.			Action Date Due	3rd Agreed Revised Date		Priority	% Complete	Status				
	Responsible Owner Agreed Response Head of Corporate Governance (Former owner DACO Strategic Planning, Performance & Communications)	A Full evaluation of the implementation phase will be undertaken in 2021.			30 April 2021	31 January 2022		MEDIUM	90%	AMBER			
Progress to Update		Draft review of InPhase is complete and currently with the Director of SPPC.											
Outstanding actions to close the recommendation		Review to be presented.											
Azets Comments		Update noted as well as the revised date for completion.											

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2019/20	FRAUD RISK MANAGEMENT ARRANGEMENTS	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					H	M	L	H	M	L	H	M	L
					1	3	8	0	6	1	0	0	0
Rec No. 3c	<u>Policies and standard setting – Fraud Response Plan</u> Provide training to nominated investigative officers			Action Date Due	4th Agreed Revised Date		Priority	% Complete	Status				
	Responsible Owner Agreed Response Risk & Audit Manager	Risk & Audit Team to complete fraud training to enable to provide guidance/training to investigation officers.		31 March 2021	31 st July 2022		MEDIUM	50%	AMBER				
Progress to Update	The definitions Disciplinary Investigation Officers & whistleblowing officers is covered within the relevant HR Polices. Identified & completed Fraud awareness training with CIPFA Discussions are held between the Acting Director of Finance & Procurement and Azets about provision of specific SFRS training												
Outstanding actions to close the recommendation	Identify persons and available training dates.												
Azets Comments	Update noted as well as the revised date for completion.												
Rec No. 4	<u>Policies and standard setting – Access to current policies</u> Improve the search function regarding key policies on the intranet, and group policies together more clearly to improve ease of navigation for employees. Use of diagrams to show the interaction of polices for each key area could help user understand how each interact and those that are relevant for the particular area they are looking for guidance on. The intranet could be updated with a “Frequently Asked Questions” (FAQ) section with signposting to key policies. For example, “What should I do if I think I have discovered a potential fraud?” with links to the relevant policies. Continue to review policies at regular interviews, ensure policies are also reviewed reactively following incidents, changes in risk profile or regulatory changes.			Action Date Due	5th Agreed Revised Date		Priority	% Complete	Status				
	Responsible Owner Agreed Response Risk & Audit Manager	The search functionality on I-hub returns relevant documentation based on search criteria but can be difficult to find exact requirement. Develop a specific Fraud Page on I-hub that includes a diagram of policy interactions and to bring together relevant guidance and include an FAQ. Policies have a review date and changes will be considered at that time. Where appropriate a procedural review is completed after any incidents. Timeline not required.		30 Sept 2020	31 March 2022		MEDIUM	25%	AMBER				
Progress to Update	This action will link to the new fraud policy document which will identify the relevant linkage with other policies and procedures.												
Outstanding actions to close the recommendation	Engagement with the Comms Team regarding development of the fraud page still to commence. The fraud page will be developed and aligned to the policy.												
Azets Comments	Management’s comments noted.												

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Rec No.	Management & Control Processes – Manual Processes Complete a full review following the pilot of the self-service system, including management review and employee focus groups or surveys. Rectify any issues before rolling out to the entire organisation.	Action Date Due	4th Agreed Revised Date	Priority	% Complete	Status
5a	Responsible Owner Agreed Response Head of Finance & Procurement <i>Agreed an early review of the solution is desirable to ensure to ensure new controls via verification are effective. Review of ESS implementation to consider impacts.</i>	31 December 2020	31 March 2022	MEDIUM	50%	AMBER
Progress to Update	All Support Staff are now included on the ESS claims functionality and pilots are well underway within the wholetime cadre. Due to movement of key staff and reallocation of resources this is proving a longer task than anticipated. No issues have been highlighted for the rollout from an operational side and the rollout is proving positive, the delay is solely down to resourcing issues which will be rectified imminently.					
Outstanding actions to close the recommendation	Ongoing collaboration between Systems Team and Verification Team and discuss their initial findings and feedback and implementation of improvements initiated as deemed appropriate. Continue rollout of all Service and always take feedback from pilots to Stakeholder group for discussion. Forward feedback logs and feedback email discussions as progress evidence. - Work linked to Rec 7b					
Azets Comments	Management's comments noted.					
Rec No.	Management and Control processes – Approval of New Suppliers Consider providing a coding on the Tech One system with key notes and risk factors to allow the Procurement Team to have visibility of the Audit & Risk Teams conclusions when performing due diligence work. Understand the full population of third parties to carry out the risk assessment. Update process for due diligence of third parties on a risk assessed basis. Assign a "risk rating" to suppliers, which should be shown alongside the credit rating. Include requirement to documentation the risk classification, business rationale, value for money and approvals within procedures., Consider automating the signatory process (see approval process below)	Action Date Due	5th Agreed Revised Date	Priority	% Complete	Status
6a	Responsible Owner Agreed Response Finance Systems Manager Information on setting up supplier will be added to supplier notes.	31 July 2020	31 March 2022	MEDIUM	40%	AMBER
Progress to Update	Work linked to 7c. Existing systems no longer going to be further developed. Agreed inclusion within spec for new PTFA					
Outstanding actions to close the recommendation	Will need to demonstrate that this has been included within the agreed final spec for PTFA system					
Azets Comments	Management's comments noted.					

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Rec No.	<u>Management & Control Processes – Approval Processes</u> Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trail.	Action Date Due	3 rd Agreed Revised Date	Priority	% Complete	Status
7a	<ul style="list-style-type: none"> Utilise online banking processes which can facilitate approval electronically for high value payments using allocated user access privileges. 					
	Responsible Owner Agreed Response Finance Systems Manager System users are given role based access to the finance and HR/Payroll system with appropriate segregation of duties. Financial authority embedded in system for approvals. The process for granting access to systems is a manual authorised signatory process and is on this year's workplan to move to electronic where possible.	31 Dec 2020	31 March 2022	MEDIUM	30%	AMBER
Progress to Update		Existing systems no longer going to be further developed. Agreed inclusion within spec for new PTFA				
Outstanding actions to close the recommendation		Will need to demonstrate that this has been included within the agreed final spec for PTFA system				
Azets Comments		Management's comments noted.				
Rec No.	<u>Management & Control Processes – Approval Processes</u> Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trail. Consider removing manual processes where possible, for example: -	Action Date Due	5 th Agreed Revised Date	Priority	% Complete	Status
7b	<ul style="list-style-type: none"> Expense claim forms as these could be subject to manipulation. 					
	Responsible Owner Agreed Response Finance Systems Manager <i>ESS project is currently being implemented which will remove manual forms.</i>	30 Sept 2020	31 March 2022	MEDIUM	50%	AMBER
Progress to Update		This has been fully rolled out to Support staff & Control Staff with the paper claim format in closing phase only to be used in Business Continuity circumstances if required. Pilot with Wholetime uniform progressing. Changes received via user feedback was included in the system update. North and East pilots have been finalised. Delay with West LSO pilot area due to COP26 priorities.				
Outstanding actions to close the recommendation		After the last LSO pilot area is in place, opportunity to close pilot and then implement full rollout. The pace of rollout has also proved beneficial for both recipients and key stakeholders, including verification teams and resourcing. Communication to be issued to advise the phasing out of paper Process. Updated training materials being created and dialogue open with stakeholders.				
Azets Comments		Management's comments noted.				

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Rec No.	Management & Control Processes – Approval Processes	Action Date Due	3rd Agreed Revised Date	Priority	% Complete	Status
7c	<p>Consider including approval and electronic signatory within the Tech One and iTrent systems, so that only the person with the correct system log in details can approve payments and process transactions. This would reduce the risk of forging and reduce administrative tasks, but also improve monitoring and provide a clear audit trail. Consider removing manual processes where possible, for example: -</p> <ul style="list-style-type: none"> Consider having a system which suppliers can access to update and confirm their own bank details (eg. a supplier portal) 					
	<p>Responsible Owner Agreed Response Finance Systems Manager</p> <p>A project was completed last year to move the finance system to the cloud. This work means we can now work remotely if required. This enables SFRS to consider new capabilities including supplier portal and this is on this year's workplan.</p>	31 March 2021	31 March 2022	MEDIUM	40%	AMBER
Progress to Update		Work linked to 6a. Existing systems no longer going to be further developed. Agreed inclusion within spec for new PTFA				
Outstanding actions to close the recommendation		Engagement with Compliance Team. Meetings still to be arranged due to lack of resource. Will need to demonstrate that this has been included within the agreed final spec for PTFA system				
Azets Comments		Management's comments noted.				
Rec No.	Monitoring & Speaking Up Processes – Speaking Up Processes	Action Date Due	3rd Agreed Revised Date	Priority	% Complete	Status
9	<p>Consider using an anonymous third-party whistleblowing hot-line, which enables employees and third parties to report malpractice, potential fraud or unethical behaviour. The hotline must be easily accessible, and the contact information and key details must be communicated to employees.</p> <p>Provide examples of situations when reporting to a line manager may not be appropriate, so that employees are able to consider the best course of action.</p> <p>Provide examples of situations when matters raised by an individual will not be treated confidentially, as this may encourage individuals to name themselves in a complaint where they understand clearly that the matter will be kept confidential. Re-word the policy in relation to anonymous reports to make it clear that the anonymous nature of the report is not a factor that may lead to the decision not to investigate. Ensure that employees are educated on the risks of "tipping off" suspected fraud perpetrators. Consider, instead of disabling full access of those suspected of fraud, to instead monitor the system, to avoid "tipping off".</p>					
	<p>Responsible Owner Agreed Response Head of POD</p> <p>The current Whistleblowing Policy is due for review by the end of the financial year.</p> <p>The review will consider recommendations from the audit as noted.</p>	31 March 2021	30 April 2022	MEDIUM	50%	AMBER
Progress to Update		Whistleblowing Policy has now been assigned a Lead to review Policy at part of the Overall schedule of Policies. The first consultation concluded on 26 th November with the second consultation concluded on 17 th December 2021. The policy will now be presented at the People Board meeting on February 22 nd , 2022.				
Outstanding actions to close the recommendation		Work is progressing with the review process and it is estimated to be completed and presented to the People Board held on 22 February 2022 and thereafter published on iHub.				
Azets Comments		Update noted as well as the revised date for completion.				

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Rec No.	<u>Management & Control Processes – System Access Controls</u>	Action Date Due	3rd Agreed Revised Date	Priority	% Complete	Status
18	<p>Proceed with automated signatory implementation. Consider employing data analytics to improve visibility and monitoring of transactions and system access.</p> <p>Responsible Owner Agreed Response Finance Systems Manager</p>					
	<p>As previously noted on current workplan. As noted earlier, we are deploying data analytics for expenses and overtime and will consider wider use over time.</p>	31 March 2021	31 March 2022	LOW	70%	AMBER
Progress to Update	Verifications team working closely with Systems to establish full data analytics around Employee Self Service (ESS) Travel & Expenses. The Verification Team are Using Data Analytics for the creation of Dashboards. Reporting and dashboards constantly under review to improve transparency and analysis of all transactions. Existing systems no longer going to be further developed. Agreed inclusion within spec for new PTFA					
Outstanding actions to close the recommendation	Automated signatory implementation is continuing through the role based authorisation and automation of levels of authorisation through the grading process. Notes as per note 7a . Will need to demonstrate that this has been included within the agreed final spec for PTFA system					
Azets Comments	Management's comments noted.					

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2020/21	RISK MANAGEMENT	Total No	No Due within 6 months	% Complete Actions	Fully Implemented Grade				Part/In Progress Grade				Not Implemented Grade			
					4	3	2	1	4	3	2	1	4	3	2	1
					9	9	56%	0	0	5	0	0	0	0	4	0
Rec No. 4a	Risk Management Training Those with specific roles in the management of risk should be suitably trained in the core fundamentals of risk management and receive other appropriately tailored training to undertake their role.			Action Date Due	1 st Agreed Revised Date		Priority	% Complete	Status							
	Responsible Owner Agreed Response Risk & Audit Manager	A LCMS risk management training package will be developed allowing the core fundamentals of risk to be understood by relevant staff			31 July 2021	31 March 2022		GRADE 2	0%	GREEN						
Progress to Update		Work still to be progressed.														
Outstanding actions to close the recommendation		Work will commence on developing a LCMS training package now Rick Management Policy is approved.														
Azets Comments		Management's comments noted.														
Rec No. 4b	Risk Management Training Those with specific roles in the management of risk should be suitably trained in the core fundamentals of risk management and receive other appropriately tailored training to undertake their role.			Action Date Due	Agreed Revised Date		Priority	% Complete	Status							
	Responsible Owner Agreed Response Risk & Audit Manager	Once complete the training package will be delivered to relevant staff.			30 April 2022	n/a		GRADE 2	0%	GREEN						
Progress to Update		Work still to be progressed.														
Outstanding actions to close the recommendation		Relevant staff will be identified by SLT.														
Azets Comments		Management's comments noted.														

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Rec No.	Risk Appetite SFRS should agree on and clearly communicate its risk appetite. Appropriate training and guidance on risk appetite should be provided at Board level and guidance and/or training should be provided for risk managers on how risk appetite is practically applied. This action is linked to Actions 2 & 4 of the previous internal auditor's report.	Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status	
5a	Responsible Owner Agreed Response Risk & Audit Manager	A Risk Appetite was held on 30 th July facilitated by Scott Moncrieff providing guidance and training on risk appetite and establishing a plan for development of the Services risk appetite. Further workshops will be held with SLT and the Board to identify and agree the Services initial risk appetite levels.	30 April 2021	31 July 2022	GRADE 2	50%	GREEN
Progress to Update		A number of sessions have been held with the SFRS Board and SLT to develop greater understanding of risk appetite and to consider how a risk appetite statement might look for SFRS. Workshop with SFRS Board currently being planned.					
Outstanding actions to close the recommendation		Development of a formal risk appetite statement required. Discussions to be held with Acting Director of Finance & Procurement to develop further guidance and documentation on risk appetite and align with the Risk Management Policy. Risk appetite still to be communicated subject to SLT & Board approval.					
Azets Comments		Management's comments noted.					
Rec No.	Risk Appetite SFRS should agree on and clearly communicate its risk appetite. Appropriate training and guidance on risk appetite should be provided at Board level and guidance and/or training should be provided for risk managers on how risk appetite is practically applied. This action is linked to Actions 2 & 4 of the previous internal auditor's report.	Action Date Due	2nd Agreed Revised Date	Priority	% Complete	Status	
5b	Responsible Owner Agreed Response Risk & Audit Manager	The second element in relation to training to be aligned with Recommendation 3.2 – Risk Management Training. As the LCMS training package is developed, this will include elements in relation to Risk Appetite.	31 July 2021	31 July 2022	GRADE 2	0%	GREEN
Progress to Update		Recommendation aligned to 4a					
Outstanding actions to close the recommendation		LCMS training package will be developed.					
Azets Comments		Management's comments noted.					

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2020-21	Financial Systems Health Check	Total No	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
					1	0	0%	0	0	0	0	0	0	0	0	0
Rec No.	Payroll Procedures Document We recommend that the payroll procedures are documented for each team contributing to the payroll for SFRS and that the procedures are reviewed regularly.				Action Date Due	Agreed Revised Date			Priority	% Complete	Status					
1	Responsible Owner Agreed Response Accounting Manager	<i>The payroll procedures are considered to be current, to improve the control we agree these should be reviewed and dated accordingly to ensure the correct version is available. We will review the procedures over the coming months and add review date and version.</i>			31 December 2021	n/a			GRADE 1	85%	GREEN					
Progress to Update	Procedures are being actively reviewed by the Payroll Team to add details of preparer/reviewer, date plus date of review. This is progressing and expect to be completed by Due Date of 31 December 2021.															
Outstanding actions to close the recommendation	Complete review of payroll procedures.															
Azets Comments	No further update has been received in relation to this recommendation and the due date has now passed.															

2020-21	Expenses Policy	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
					2	2	50%	0	0	1	0	0	0	1	0	0
Rec No.	Managers should be reminded to check and approved expenses. This could be done through refresher line manager training or by sending a refresher email out to line managers at the end of the month reminding them to review their employees' expenses.				Action Date Due	2nd Agreed Revised Date			Priority	% Complete	Status					
2	Responsible Owner Agreed Response Head of Finance & Procurement	<i>The Finance systems team will develop a solution to send an automated email to remind line managers that they should review any expenses reports.</i>			31 July 2021	31 March 2022			Grade 2	40%	GREEN					
Progress to Update	The Financial Systems team are currently testing a reminder email function on the back of the burst reports function that sends out the original reports. The aim is to send out a reminder, to the same distribution list, reminding managers to respond to the verification team on their review of their reports															
Outstanding actions to close the recommendation	This has moved to the right as discussions are currently ongoing with the Verification team to determine an improvement to the process rather than multiple reports / reminders being issued. Further details will be provided post these discussions.															
Azets Comments	Management's comments noted - we will await details of the revised process, once agreed.															

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2020-21	Procurement and Tendering	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented					
					4	3	2	1	4	3	2	1	4	3	2	1		
					2	2	50%	0	0	1	0	0	0	0	0	0	0	
Rec No.	We recommend that a periodic check of completeness of training records should be introduced to ensure that centralised training record is complete and up to date.				Report Agreed Date				2 ND Agreed Revised Date				Priority		% Complete		Status	
1	Responsible Owner Agreed Response Deputy Head of POD	SFRS accepts the recommendation. The learning & Development team have agreed a periodic check with Procurement on completeness of training records will be introduced.			30 September 2021				31 December 2021				Grade 1		90%		GREEN	
Progress to Update		Learning Partner assigned to the Finance and Procurement Function. Procurement Qualifications Map identifying the qualification requirements for each Procurement role has been established. Meeting held with Head of FSC to introduce CSDA and outline approach. Received qualifications map for corporate procurement. Learning and development spend analysis completed for previous 3 years, identifying learning and development undertaken. Supporting activities to retrieve records planned. Completion of spreadsheet.																
Outstanding actions to close the recommendation		Discussion with Training administration function to advise of record check and check against current records. Administration process reviewed training administration manager																
Azets Comments		No further update has been received in relation to this recommendation and the due date has now passed.																

2020-21	Estates Asset Management & Maintenance	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented					
					4	3	2	1	4	3	2	1	4	3	2	1		
					2	2	50%	0	0	1	0	0	1	0	0	0	0	
Rec No.	An estates strategy should be developed and implemented which is informed by the outcome of the Service Delivery Model Programme. This should set out SFRS's long term strategy and approach to maintaining the existing estates, identifying and developing additional estate needs and where appropriate, rationalising the estate.				Report Agreed Date				1 st Agreed Revised Date				Priority		% Complete		Status	
1	Responsible Owner Agreed Response National Property Manager	Property Services will develop an Interim Estates Strategy in the intervening period awaiting SDMP completion.			31 December 2021				31 March 2023				Grade 3		2%		GREEN	
Progress to Update		The Interim Estates Strategy will be developed in conjunction with Asset Governance & Performance Manager (AGPM). In order to assist with the completion of this task recruitment of 2 additional staff within the Asset Governance & Performance section is underway. 1 new start commencing work in January 2022 and the other position being re-advertised in November 2021.																
Outstanding actions to close the recommendation		The Interim Estates Strategy is part of a suite of strategy document to be undertaken by the AGPM and work on this will follow on from the SFRS Board request for a new Fleet Strategy which is scheduled for completion In March 2022. There are a number of tasks involved in the creation of an Estates strategy, including work to align the strategy with the SDMP which is scheduled for completion in March 2023, Standard Station Design and the outcome of the Service Review.																
Azets Comments		Update noted as well as the revised date for completion.																

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2020/21	Operational Equipment	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
					3	3	33%	0	0	0	1	0	1	1	0	0
Rec No. 2	<p>A detailed strategy/long term plan should be devised in respect of operational equipment which supports the implementation of the Asset Management Strategy. It is acknowledged that this will be informed by the outcome of the review of service delivery. However, the strategy should set out how SFRS will source and maintain equipment which best meets the operational needs of the organisation.</p>			Action Date Due	1 st Agreed Revised Date		Priority	% Complete	Status							
Responsible Owner Agreed Response Scottish Equipment Manager	Agreed. Operational Equipment strategy to be developed.			31 March 2022	31 March 2023		Grade 3	2%	GREEN							
Progress to Update	The Operational Equipment strategy will be developed in conjunction with Asset Governance & Performance Manager (AGPM). In order to assist with the completion of this task recruitment of 2 additional staff within the Asset Governance & Performance section is underway. 1 new start commencing work in January 2022 and the other position being re-advertised in November 2021.															
Outstanding actions to close the recommendation	The Operational Equipment strategy is part of a suite of strategy document to be undertaken by the AGPM and work on this will follow on from the SFRS Board request for a new Fleet Strategy which is scheduled for completion In March 2022. Detailed work on the Operational Equipment strategy will commence after the HMFSI review of Operational and Protective Equipment scheduled for later this calendar year.															
Azets Comments	Update noted as well as the revised date for completion.															
Rec No. 3	<p>The Asset Management Liaison Board (AMLB) should review its reporting arrangements to satisfy itself that it receives sufficient information in order to be able to give due consideration to the particular areas of performance stated within the Asset Management Strategy.</p>			Action Date Due	1 st Agreed Revised Date		Priority	% Complete	Status							
Responsible Owner Agreed Response Scottish Equipment Manager/AMLB	Agreed. KPI information to be reported to AMLB in line with Asset Management Strategy.			01 February 2022	31 March 2023		Grade 2	1%	GREEN							
Progress to Update	Planning stage of work; KPI's will be reviewed and updated as part of the actions from the Azets Audit reports; the Deloitte Audit and in particular the Board action with regards to the development of an Asset Management Performance Framework.															
Outstanding actions to close the recommendation	KPI information will be reviewed during the early stakeholder consultation stages in the development of the Operational Equipment Strategy. The final set of KPI's will require to be agreed as part of AMLB approval of the new Operational Equipment Strategy.															
Azets Comments	Update noted as well as the revised date for completion.															

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2021/22	REMOTE WORKING	Total No of Actions	No Due within 6 months	% Complete Actions	Fully Implemented				Part/In Progress				Not Implemented			
					4	3	2	1	4	3	2	1	4	3	2	1
					0	0	0	0	0	0	5	0	0	0	0	0
Rec No 1	Staff Training SFRS needs to determine which elements of the training in relation to agile working should be mandatory for managers. Once this is agreed, arrangements should be put in place to ensure that managers have completed the required training.			Report Agreed Date		1 st Agreed Revised Date		Priority		% Complete		Status				
	Responsible Owner Agreed Response Head of POD	A review of the training in relation to agile working that may be deemed mandatory for managers will be undertaken.		31 March 2022		31 May 2022		Grade 2		10%		GREEN				
Progress to Update		Responsibility for progressing the audit's actions and recommendations will sit with the Agile Working Group which is led by The Head of POD. The group met on 22 nd November 2021 to discuss initial thoughts on how the recommendations will be progressed.														
Outstanding actions to close the recommendation		This discussion will be followed up when the group meets again on the 18 th January 2022. With the recent re-emergence of the pandemic and challenges on the day to day capacity of the POD staff leading on this recommendation, due date be extended to May 2022.														
Azets Comments		Update noted as well as the revised date for completion.														
Rec No. 2	Monitoring of Staff Feedback SFRS should implement a more structured approach to obtaining, analysing and reporting feedback from staff. In order to enable appropriate action to be taken in respect of any negative impacts on staff well-being and the effectiveness of remote working, SFRS should consider having a schedule for obtaining feedback. This could consist of periodic surveys; drop in sessions for general remote working issues; and mechanisms in place for line managers to provide feedback about common or concerning issues found in their teams; including information about productivity.			Action Date Due		Agreed Revised Date		Priority		% Complete		Status				
	Responsible Owner Agreed Response Head of POD	As part of developing the employee engagement framework POD will ensure obtaining, analysing and reporting feedback from staff on agile working is included in the schedule of employee engagement touch points such as questionnaires, staff surveys and forums.		30 June 2022		n/a		Grade 2		10%		GREEN				
Progress to Update		Responsibility for progressing the audit's actions and recommendations will sit with the Agile Working Group which is led by The Head of POD. The group met on 22 nd November 2021 to discuss initial thoughts on how the recommendations will be progressed.														
Outstanding actions to close the recommendation		This discussion will be followed up when the group meets again on the 18 th January 2022.														
Azets Comments		Management's comments noted.														

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Rec No.	Risk Assessments A checklist should be devised which addresses all risks associated with agile working outwith the home and SFRS premises environment. This should include all related organisational risks including health and safety. Once agreed, the checklist should be appended to the Agile Working Framework and training should be provided to staff on its completion.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
3	Responsible Owner Agreed Response Head of POD	POD to facilitate the development of a checklist with input from all identified stakeholders.	31 January 2022	n/a	Grade 2	80%	GREEN
Progress to Update	Responsibility for progressing the audit's actions and recommendations will sit with the Agile Working Group which is led by The Head of POD. The group met on 22 nd November 2021 to discuss initial thoughts on how the recommendations will be progressed. POD have engaged with H&S colleagues and a draft checklist has been developed and disused to information governance and ICT colleagues for further input.						
Outstanding actions to close the recommendation	Once agreed the checklist will be incorporated into the Agile Working Framework and accessible on the Agile Working iHub pages.						
Azets Comments	Management's comments noted.						
Rec No.	Monitoring & Reporting Process Monitoring and reporting arrangements for remote and agile working should be established and defined with clear responsibilities set out for the groups involved (with adequate supporting documents, including Terms of Reference). The process for monitoring and reporting the key elements of remote working including areas such as performance should be defined. The key elements should be agreed and information should be sought from the relevant departments across SFRS to identify any problem areas.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
4	Responsible Owner Agreed Response Head of POD	Monitoring and reporting arrangements for remote and agile working will be developed and reported through the Building the Future Together Group once it is established. In advance of the BFT group convening POD will develop the monitoring and reporting framework and present it for consideration to the BFT group.	30 June 2022	n/a	Grade 2	10%	GREEN
Progress to Update	Responsibility for progressing the audit's actions and recommendations will sit with the Agile Working Group which is led by The Head of POD. The group met on 22 nd November 2021 to discuss initial thoughts on how the recommendations will be progressed.						
Outstanding actions to close the recommendation	This discussion will be followed up when the group meets again on the 18 th January 2022.						
Azets Comments	Management's comments noted.						

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Rec No.	Lessons Learned	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
5	SFRS should implement arrangements for obtaining and analysing information on lessons learned in relation to agile working. These should be given due consideration going forward when progressing the implementation of the Agile Working Framework.						
	Responsible Owner Agreed Response Head of POD	POD with colleagues to develop and implement appropriate arrangements for obtaining and analysing information on lessons learned in relation to agile working.	30 June 2022	n/a	Grade 2	10%	GREEN
Progress to Update		Responsibility for progressing the audit's actions and recommendations will sit with the Agile Working Group which is led by The Head of POD. The group met on 22 nd November 2021 to discuss initial thoughts on how the recommendations will be progressed.					
Outstanding actions to close the recommendation		This discussion will be followed up when the group meets again on the 18 th January 2022.					
Azets Comments		Management's comments noted.					

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/03-22

Agenda Item: 8

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE							
Meeting Date:	20 JANUARY 2022							
Report Title:	INDEPENDENT AUDIT / INSPECTION ACTION PLAN UPDATE							
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>						
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
1	Purpose							
1.1	The purpose of the report is to present Audit and Risk Assurance Committee (ARAC) with an update on the progress of the action plan relating to the Audit Scotland Report published in May 2018.							
2	Background							
2.1	The Auditor General reports to the Scottish Government on our performance. Following the publication of the reports, action plans are prepared to address the issues or recommendations that are highlighted within the report.							
2.2	Similarly, HMFSI inspects and reports on the Scottish Fire and Rescue Service (SFRS) with the purpose of assuring the public and Scottish Ministers that we are working in an efficient and effective way, and to promote improvement in the Service.							
2.3	Prior to May 2020, progress of existing action plans from the Auditor General and HMFSI were monitored by the Performance Improvement Forum on a 6-monthly basis. Highlight reports were presented to the Corporate Assurance Board and Service Delivery Committee on a 6-monthly cycle.							
2.4	Following a review of the Performance Improvement Forum (PIF) activities, it was agreed by the Strategic Leadership Team (SLT) in March 2020, to disband the Forum. A revised management and scrutiny process for audit and inspections outcomes was also agreed at that time.							
2.5	In line with the new thematic process agreed in May 2020 once approved, action plans will be presented to ARAC on a quarterly basis to scrutinise progress.							
3	Main Report/Detail							
3.1	ARAC is presented with the current Audit and Inspection overview dashboard, attached as Appendix A for scrutiny. This provides high level details of all action plans (HMFSI Actions Plans and Auditor General Action Plans).							
3.2	Audit Scotland The Audit Scotland Report was published in May 2018. The action plan contains a total of 36 actions to address the issues raised. The action plan is attached as Appendix B .							

3.3	The completion of 35 actions have already been agreed – these are shaded grey and do not need further scrutiny. ARAC is asked to scrutinise the remaining one action (in white), and to raise any issues with the update given.
3.4	ARAC are asked to note the following: <ul style="list-style-type: none"> There has been an unexpected delay following a further issue, raised by the FBU during this reporting period, in relation to the improved SFRS offer. SFRS have provided a position regarding this new issue and a FBU response is being awaited. This further delay will impact on implementation dates and the previously agreed extension and the revised due date of March 2022.
3.5	The above update has been marked on Appendix B in red for ease.
3.6	The overall RAG rating for this action plan has moved from green to red , due to awaiting feedback following ongoing discussions with the FBU. With all but one action completed, this action plan is noted as 90% complete (percentage completions for individual actions are an estimate provided by the action owner leading to the overall average percentage).
4	Recommendation
4.1	ARAC is invited to: <ul style="list-style-type: none"> Note the progress of all action plans as presented in the audit and inspection dashboard, attached as Appendix A. Scrutinise the Audit Scotland action plan, attached as Appendix B, and note the potential future impact to timescales raised.
5	Key Strategic Implications
5.1	Risk
5.1.1	There are no risks associated with the recommendations of this report.
5.2	Financial
5.2.1	There are no financial implications associated with the recommendations of this report.
5.3	Environmental & Sustainability
5.3.1	There are no environmental implications associated with the recommendations of this report.
5.4	Workforce
5.4.1	There are no workforce implications associated with the recommendations of this report.
5.5	Health & Safety
5.5.1	There are no health and safety implications associated with the recommendations of this report.
5.6	Training
5.6.1	There are no training implications associated with the recommendations of this report.
5.7	Timing
5.7.1	Each HMFSI Action Plan will be reported to the ARAC on a quarterly cycle until completion.
5.8	Performance
5.8.1	This process supports robust challenge and scrutiny of our performance against Audit Scotland recommended improvements.

5.9	Communications & Engagement	
5.9.1	There is no implication associated with the recommendations of this report.	
5.10	Legal	
5.10.1	The arrangements for independent inquiries into the state and efficiency of the SFRS are a statutory requirement as laid out in section 43 of the Fire Scotland Act 2005.	
5.11	Information Governance	
5.11.1	A DPIA is not required for this report.	
5.12	Equalities	
5.12.1	An Equality Impact Assessment is not required for this this report.	
5.13	Service Delivery	
5.13.1	There is no implication associated with the recommendations of this report.	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix A – Audit and Inspection Overview Dashboard	
7.2	Appendix B - Audit Scotland Action Plan	
Prepared by:	Kirsty Jamieson, Planning and Performance Officer	
Sponsored by:	Richard Whetton, Head of Governance, Strategy and Performance	
Presented by:	Mark McAteer, Director of Strategic Planning, Performance and Communications	
Links to Strategy and Corporate Values		
Our audit and inspection process contributes to Strategic Outcome 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland.		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Senior Management Board</i>	<i>17 November 2021</i>	<i>For recommendation</i>
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For scrutiny</i>

Audit and Inspection Overview Dashboard

Audit Scotland Reports Progress Dashboard

APPENDIX A

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	Moved to BAU	Void	% complete	RAG
May-18	Scottish Fire and Rescue Service Update	ARAC	Dec-21	Nov-21	36	Nov-21	Feb-22	0	1	0	33	0	0	0	2	90%	

HMFSI Thematic Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Updated	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	Moved to BAU	Void	% complete	RAG
Apr-15	Performance Management Systems	SDC	Jul-20		32	May-20	N/A	0	0	0	26	2	4			100%	Closed
Jul-2017	Operations Control Dundee and Highlands and Islands Support	SDC	Dec-20		24	May-20	N/A	0	0	0	24	0	0			100%	Closed
Jan-2018	Fire Safety Enforcement	SDC	Mar-20	Dec-21	21	Sep-21	Dec-21	0	1	2	17	0	0	0	0	85%	
Feb-2019	Provision of Operational Risk Information	SDC	Mar-22		25	Nov-21	Feb-22	0	5	0	20	0	0	0	0	90%	
May-2019	Management of Fleet and Equipment	SDC	Mar-22		38	Nov-21	Feb-22	0	0	0	32	0	6	0	0	100%	
Mar-2020	Training of RDS Personnel	SGC	Mar-23		31	Nov-21	Feb-22	0	8	5	18	0	0	0	0	81%	
Dec-2020	Planning and Preparedness for COVID Review	SDC	May-26		16	Nov-21	Feb-22	0	8	0	8	0	0	0	0	80%	
Aug-2020	Command and Control: Aspects of Incident Command	SDC	Mar-22	Dec-23	25	Nov-21	Feb-22	0	8	0	17	0	0	0	0	90%	
Mar-2021	Assessing the Effectiveness of Inspection Activity	ARAC	-		0	-	-	-	-	-	-	-	-	-	-	-	

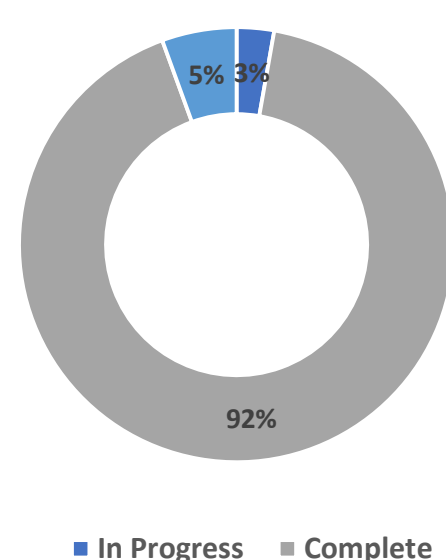
HMFSI Local Area Inspection Reports Progress Dashboard

Published	Title	Relevant Committee	Due Date	Revised Due Date	Total Actions	Last Update	Next Update	Not Started	In Progress	Deferred	Complete	Transferred	Cancelled	Moved to BAU	Void	% complete	RAG
N/A	Local Area Inspection National Recommendations	SDC	N/A	N/A	7	Sep-21	Dec-21	0	2	0	8	0	0	0	0	85%	
Feb-20	Dumfries and Galloway	N/A	Jun-21		12	Sep-21	Dec-21	0	4	0	7	1	0	0	0	100%	
Jun-20	Edinburgh City	N/A	Apr-21		11	Sep-21	Dec-21	0	5	0	0	6	0	0	0	100%	
May-21	Midlothian	N/A	Mar-22		7	Sep-21	Dec-21	0	3	0	4	0	0	0	0	75%	

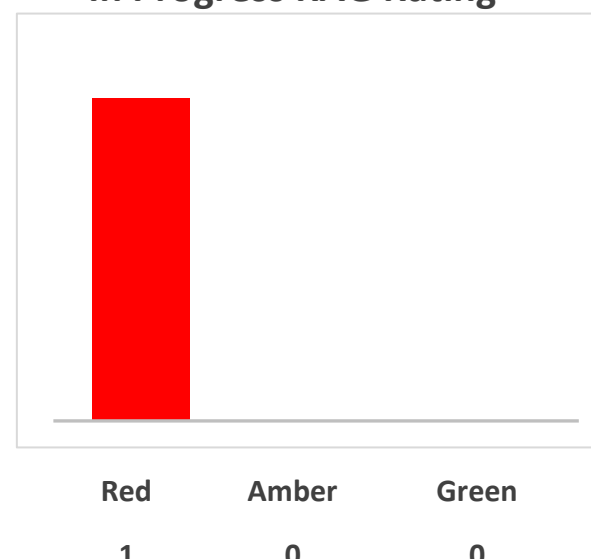
APENDIX B

HMFSI Audit Scotland - Action Plan Progress

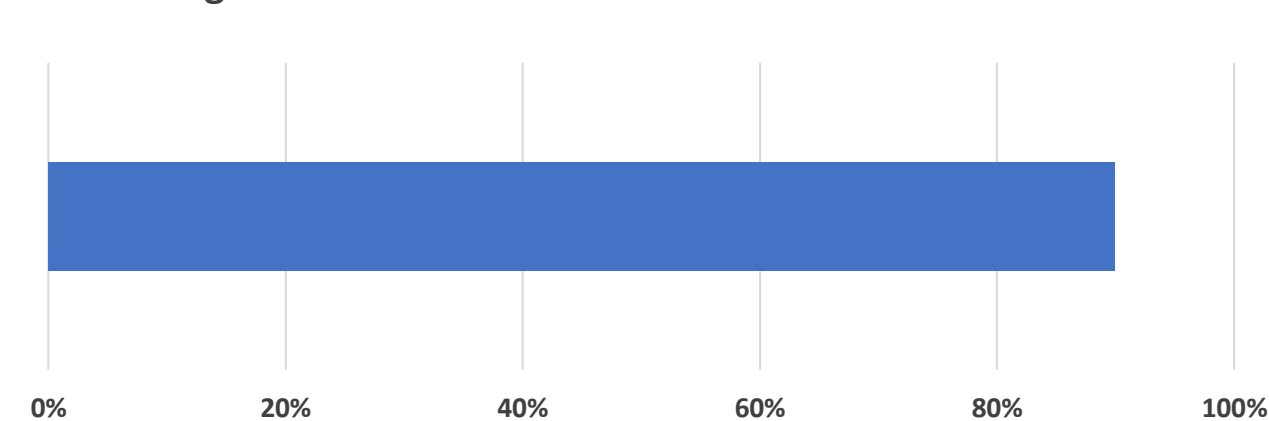
Status	Count
In Progress	1
Complete	33
Void	2



In Progress RAG Rating



Overall Progress 90%



Updated	Next Update
Nov-21	Feb-22

Audit Recommendation	Action Ref	Action Description	Action Owner	Due Date	Revised Due Date	Status	Progress Update Commentary	% Complete	Completion Date	RAG	Evidence
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.2	Complete the standardisation of RDS specific terms and conditions, including implementation.	Linda MacKenzie	Oct-19	Mar-22	In Progress	11 August 21: Following issue of a revised offer in relation to the standardisation of RDS Terms and Conditions in Quarter 4, a series of engagement events were completed in Quarter 1 across all RVDs locations to support the proposed offer and in preparation for ballot. SFRS are currently awaiting ballot dates from the Fire Brigades Union in order to progress. It is anticipated that agreement and implementation of new terms could take up until March 2022 (particularly implementation) and, as such, a new due date of March 2022 has been proposed. This action has moved from amber to red due to the slip in the original timescales. 17 November 2021: A further issue was raised in relation to the improved SFRS offer by the Fire Brigade Union (FBU) during Quarter 2. An SFRS position regarding this new issue has been provided, and we are currently awaiting further response from the FBU regarding appropriate next steps. This further unexpected delay will impact on implementation dates and the revised due date of March 2022 will continue to be reviewed as a result. Employees have been kept updated with communications in July and September 2021. This action remains red due to the slip in the original timescales and the delay caused during ongoing discussions with the relevant Representative Body. A revised due date will be proposed when a response has been received from the FBU.	95%			
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3c	Develop and establish fair and equitable Pay and Reward Frameworks.	Linda MacKenzie	Mar-20	Sep-21	Complete	19 May 21: Following further constructive discussions and clarification on the terms of the SFRS final offer to standardise Instructor T&Cs, collective agreement was reached with the Fire Brigades Union. Progress continues on standardising T&Cs for RDS staff (see action above). The Covid-19 Recognition Scheme was successfully concluded in Quarter 4, with the Recognition Panel considering a significant number of nominations and reward vouchers issued. A communications plan has supported this to ensure the value and commitment of our people is known. A review process has commenced to inform the main Recognition Scheme later in 2021. A revised due date of September 2021 has been requested to align this action with the timescale of action 1a.2 above. This action has gone from amber to red due to the previous revised due date of Mar-21 not being met. 11 August 21: The POD directorate will always work to ensure fair and equitable Pay and Reward Frameworks are in place, and this features in our Directorate plan. Specifically, for this reporting period, the COVID 19 Recognition Scheme has now concluded, as well as Instructor Terms and conditions negotiations which have been agreed and will be as of 1 July. This action is now complete.	100%	Aug-11	✓	
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3e	Improve Equality Data Gathering and monitoring processes.	Rachael Scott	Mar-20	Jun-21	Complete	19 May 21: A system review is underway and a long term communications plan is being developed to encourage an improved return on sensitive employee information which will commence roll out in Quarter 1 - a revised due date of June 2021 has been requested to support this. This action remains amber due to slipped timescales. 11 August 21: An action plan has been developed to support continued improvement in this area, including system enhancements, ongoing/long term communications plan with employees and new starts, and streamlined reporting of workforce data to improve monitoring in this area which in turn will inform policy, practice and organisational decision making. This action is now complete and has gone from amber to green.	100%	Jun-21	✓	
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.1	Publish documentation, High Level Plan that provides a blueprint to support the delivery of the organisation's vision.	Ian McMeekin	Mar-19		Complete		100%	Jan-20	✓	The High Level Plan was approved by the Board on 31 January 2020.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.2	Undertake an organisational P3M3 Assessment, and supporting actions, to understand and enhance the Service's programme and project maturity levels.	Darren Riddell	Aug-19		Complete		100%	Jan-20	✓	P3M3 assessments will be replaced by a Scottish Government Gateway Review which will assess project maturity levels.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.3	Embed Portfolio, Programme and Project management skills within the organisation's Leadership Pathway.	Gillian Buchanan	Mar-19		Complete		100%		✓	Portfolio, Programme and Project management skills have been embedded into Supervisory, Middle and Strategic development Pathways. In-house Project Management course also in development.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.4	Revise the Programme Office Board governance arrangements to support the management of both Service Transformation and business as usual activities.	Darren Riddell	Dec-19		Complete		100%		✓	Restructure of Programme Office Board was undertaken. This was supported by a review of Programme Office Board and TMPC activities.
1. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service.	1.5	Develop a Programme Office Communications Strategy to communicate key updates and information to Executive Leads and Project Managers.	Darren Riddell	Jul-19		Complete		100%		✓	New dashboard in place to provide Project/Programme overview. Engagement process to hold meetings between Programme Office and Project management teams in place.
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular e agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.1	Implement revised standardised terms and conditions for uniformed staff.	Rachael Scott	Mar-20		Complete		100%		✓	Collective agreement reached. Revised terms implemented on a phased basis from June 2018, October 2018 and January 2019 along with supporting policies and processes.
1a. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree as soon as possible, revised terms and conditions for its uniform staff that reflect the changes to the role as planned, as part of the programme for transformation.	1a.3	Negotiate a revised reward package and terms and conditions which reflect a broadened Firefighter role.	Linda MacKenzie	Dec-21		Void					A Project Termination Report for broadening the Firefighter role was submitted and approved by the Senior Management Board in February 2021. It is proposed that this action is now void.

1b. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular ensure through comprehensive and up-to-date workforce planning that it has the right skills and capacity in place to deliver its programme of transformation effectively.	1b.1	Provide the appropriate number of Trainee Fire Fighters to meet the needs of the SDA retirees as identified in the workforce planning.	Jason Sharp	Apr-19	Complete		100%	✓	A Workforce and Strategic Resourcing Plan has been published detailing processes to ensure the Target Operating Model is resourced.	
1b. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular ensure through comprehensive and up-to-date workforce planning that it has the right skills and capacity in place to deliver its programme of transformation effectively.	1b.2	Provide the appropriate national campaigns at CM – AM to meet the needs of the SDA retirees as identified in the workforce planning.	Jason Sharp	Apr-19	Complete		100%	✓	A Workforce and Strategic Resourcing Plan has been published that details how campaigns will be scheduled.	
1c. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree a long-term strategy for asset management and a medium term asset management plan by December 2018 that reflects the aims of transformation.	1c.1	Develop and gain approval for a corporate asset management strategy.	Sarah O'Donnell	Jun-19	Complete		100%	Jun-19	✓	The Asset Management Strategy was approved by the Board on 27 June 2019.
1c. The Scottish Fire and Rescue should increase its pace of reform and implement its plans for transforming into a more flexible, modern service. In particular agree a long-term strategy for asset management and a medium term asset management plan by December 2018 that reflects the aims of transformation.	1c.2	Deliver planned capital investment in line with the approved programme.	Sarah O'Donnell	Mar-19	Complete		100%		✓	Planned capital investments for 2018/19 delivered in line with amended and approved programme of works.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.1	Communicate the expectations of the PMF.	Alison Hastings	Mar-19	Complete		100%		✓	The PMF has been published on the website and staff intranet.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.2	Identify an appropriate suite of performance measures to support challenge and evidence led decision making at multiple levels.	Alison Hastings/ Stuart Ross	Mar-19	Complete		100%		✓	Revised suite of performance measures have been published with the PMF. A change point process to identify changes in trends has also been implemented.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.3	Identify an appropriate suite of local performance measures to support local challenge and evidence continuous improvement.	Alison Hastings/ Chris Fitzpatrick	Mar-20	Complete		100%		✓	SDA Performance Proposal Indicator List The Key Performance Indicators for the Service Delivery Areas have now been developed to support local challenges and evidence continuous improvement. This action has been marked complete and has gone from amber to green.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.4	Develop effective performance reporting so that performance information is communicated and used throughout the organisation.	Alison Hastings/ Chris Fitzpatrick	Aug-20	Complete		100%		✓	Quarter 3 Service Delivery Committee Quarterly Report. Quarter 3 Combined Risk and Performance Report.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.5	Develop Training and Development Programmes to build knowledge and understanding of performance management.	Alison Hastings/ Chris Fitzpatrick	Mar-20	Void					SFRS Performance Management Framework 2021/22 SFRS BI Strategy 2021/24 SFRS BI Action Plan 2021/22 Microsoft Power BI Business Intelligence and Data Services has been restructured to deliver against objectives of the Business Intelligence Strategy. Performance management and analysis of Service data will be produced by this team and bespoke performance dashboards will be developed by in conjunction with individual departments. There is no requirement for training and development programmes at this time. Understanding of performance management will be supported and improved through the implementation of the SFRS BI Strategy and annual action plans. It is proposed that this action is void.
2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.6	Procure and implement a performance management system to support delivery of the PMF.	Alison Hastings/ Chris Fitzpatrick	Mar-20	Complete		100%		✓	InPhase System SFRS Performance Management Framework 2021/22 SFRS BI Strategy 2021/24 SFRS BI Action Plan 2021/22 Microsoft Power BI The In-Phase system was procured and is in use. The new Performance Management Framework which has been developed to drive improvement in this area has been to the Strategic Leadership Team and is going to the SFRS Board in May 2021. Furthermore, the new SFRS Business Intelligence Strategy and Action Plan was approved by SFRS Board in March 2021. Further procurement of Microsoft Power BI is expected to complete in May 2021. This action is now complete and has gone from amber to green.

2. The Scottish Fire and Rescue should ensure that well-developed performance management systems are effectively implemented by October 2018, so that the board, strategic management and local management can access good quality information to effectively drive progress towards its priorities and those set out in the SFRS Framework.	2.7	Develop performance indicators with partners so SFRS contribution to joint outcome improvement can be measured.	Mark McAteer	Mar-20	Complete		100%	✓	This action will be progressed by the Community Planning Improvement Board. AS this action is no longer under our control, it has been closed.	
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.1	Workshop scheduled to develop the delivery plan on 13.08.2018.	Mark McAteer	Dec-18	Complete		100%	✓	Collaboration Strategy developed.	
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.2	A recruitment plan is underway to resource this priority area.	Mark McAteer	Dec-18	Complete		100%	✓	SFRS Collaboration Officer is now in post.	
3. The Scottish Fire and Rescue should with its national partners and the support of the Scottish Government, establish and begin implementing plans by December 2018 to progress the Reform Collaboration Group's (RCG) Strategy and vision for partnership working.	3.3	Implement performance reporting arrangements to ensure SFRS Board have an oversight of RCG progress against Collaboration Strategy Delivery Plan	Mark McAteer		Complete		100%	✓	Papers are circulated to the Board. This will continue as BAU and the action will be closed.	
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.1	Develop draft Planning and Evaluation policy and procedure.	Stephen Wood	Mar-19	Complete		100%	Apr-19	✓	Planning and Evaluation Policy published in April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.2	Run Pilot initiatives and seek internal and external comment.	Stephen Wood	Mar-19	Complete		100%	✓	Pilot initiatives ran in each SDA area. External evaluation consultant engaged,	
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.3	Finalise Policy and Procedure for consultation.	Stephen Wood	Apr-19	Complete		100%	Apr-19	✓	SLT approved the Policy on 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.4	Identify appropriate governance route.	Stephen Wood	May-19	Complete		100%	Apr-19	✓	Governance route approved by SLT on 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.5	Finalise Policy and Procedure prior to implementation.	Stephen Wood	Jun-19	Complete		100%	Apr-19	✓	SLT approved the Policy on 23 April 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.6	Identify training needs and develop implementation plan including go live date.	Stephen Wood	Jul-19	Complete		100%	Jun-19	✓	Training plan agreed and implemented in June 2019.
4. The Scottish Fire and Rescue should progress its plans to develop and implement a framework for monitoring, evaluating and reporting the impact of community safety activity by December 2018.	4.7	Implement policy and procedure.	Stephen Wood	Aug-19	Complete		100%	✓	Policy published and training plan implemented.	
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.1	Re-launch Equality Impact Assessment Process on iHub.	Elaine Gerrard	Nov-19	Mar-21	Complete	100%	✓	Equality Impact Assessments accompany Board papers and are published on the SFRS website. The action to relaunch the Equality and Human Rights Impact Assessment process is contained in the AOP for completion in 2021/22.	
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.2	Evaluate completion rates of Equality Impact Assessments within Board decision making processes.	Elaine Gerrard	Dec-19	Complete		100%	Mar-20	✓	Record of Board papers show that papers are accompanied by Equality and Human Rights Impact Assessments.
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3a	3a. Maximise attraction from under-represented groups for all SFRS vacancies.	Karen Lewis	Mar-20	Complete		100%	Mar-20	✓	SFRS Positive Action Strategy 2019-22. The Positive Action Strategy will focus on a number of key areas to address underrepresentation in both uniform and support staff roles. These areas include improving the attraction and recruitment of underrepresented groups; ensuring a positive working environment which supports the needs of a diverse workforce; support for career progression and personal development and ensuring the quality and accuracy of workforce data. SFRS Balancing the Workforce Profile Action plan

5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3b	Improve access to/support career development for underrepresented groups.	Karen Lewis	Apr-20		Complete		100%	Mar-20	✓	SFRS Youth Employment Strategy. Modern Apprenticeship Scheme. Career Ready Scheme. Carer Positive Scheme. SFRS Positive Action Strategy 2019-22. SFRS Balancing the Workforce Profile
5. The Scottish Fire and Rescue should include Equality Impact Assessments with papers to inform board decisions and set out in its workforce planning how it plans to eliminate the gender pay gap.	5.3d	Review and develop supportive Employment Policies and Procedures.	Mary Corry	Mar-20		Complete		100%	Mar-20	✓	The Service has in place a suite of standardised SFRS policies and procedures. These continue to be reviewed as part of a business as usual approach and to respond to legislative changes and business need as required. SFRS will continue to seek to enhance its policies and arrangements to ensure these remain attractive and supportive whilst achieving business aims.

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/04-22

Agenda Item: 9.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	REPORT TO THE AUDIT AND RISK ASSURANCE COMMITTEE AND THE AUDITOR GENERAL FOR SCOTLAND, ON THE 2020/21						
Report Classification:	For information	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	This is the final report on the external audit of the 2020/21 financial statements and is provided for information only.						
2	Background						
2.1	This is the final report on the external audit of the 2020/21 financial statements and is provided for information only.						
3	Main Report/Detail						
3.1	This is the final report on the external audit of the 2020/21 financial statements and is provided for information only.						
4	Recommendation						
4.1	The report is provided for information only.						
5	Key Strategic Implications						
5.1	Risk						
5.1.1	This is an external report and therefore not applicable						
5.2	Financial						
5.2.1	This is an external report and therefore not applicable						
5.3	Environmental & Sustainability						
5.3.1	This is an external report and therefore not applicable						
5.4	Workforce						
5.4.1	This is an external report and therefore not applicable						
5.5	Health & Safety						
5.5.1	This is an external report and therefore not applicable						
5.6	Training						
5.6.1	This is an external report and therefore not applicable						

5.7 5.7.1	Timing This is an external report and therefore not applicable	
5.8 5.8.1	Performance This is an external report and therefore not applicable	
5.9 5.9.1	Communications & Engagement This is an external report and therefore not applicable	
5.10 5.10.1	Legal This is an external report and therefore not applicable	
5.11 5.11.1	Information Governance This is an external report and therefore not applicable	
5.12 5.12.1	Equalities This is an external report and therefore not applicable	
5.13 5.13.1	Service Delivery This is an external report and therefore not applicable	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix A: Report to the Audit and Risk Assurance Committee and the Auditor General for Scotland, on the 2020/21 Audit	
Prepared by:	Deloitte LLP	
Sponsored by:	John Thomson, Acting Director of Finance and Contractual Services	
Presented by:	Deloitte LLP	
Links to Strategy and Corporate Values		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For Information</i>



Report No: C/ARAC/04-22
Agenda Item 9.1

Scottish Fire and Rescue Service

Report to the Audit and Risk Assurance Committee and the Auditor General for Scotland, on the 2020/21 audit

Issued on 15 December 2021

01 Final report

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Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the Annual Report and Accounts.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our report to the Audit and Risk Assurance Committee (“ARAC”) of the Scottish Fire and Rescue Service (“the Service”) and the Auditor General for Scotland for the year ending 31 March 2021. The scope of our audit was set out within our planning report presented to ARAC in March 2021.

This report summarises our findings and conclusions in relation to:

- The audit of the **Annual Report and Accounts**; and
- Consideration of the **four audit dimensions** that frame the wider scope of public sector audit requirements as illustrated in the following diagram. This includes our consideration of the Service’s duty to secure best value. It is important to note that audits are by nature risk based. Where we don’t identify any risks, being the areas likely to have the most good practice, we don’t consider them in our work. Where we identify risks, being areas likely to have most room for improvement, we consider them in our work. Our work is by design therefore more likely to pick up areas for improvement; but where we identify good practice through our risk-based work we highlight it. This represents the most effective use of limited audit resources. It is important to stress that the audit therefore is not an opinion on the overall performance of SFRS, it is an opinion on parts of SFRS which have been identified as being most in need of audit as a result of a risk assessment.



Introduction (continued)

The key messages in this report (continued)

I would like to draw your attention to the key messages of this paper:

Conclusions from our testing

We expect to issue an unmodified audit opinion.

A summary of our work on the significant risks is provided in the dashboard on page 10.

We have suggested to management some changes in respect of the Annual Report and Accounts, with our comments being in relation to ensuring compliance with the associated statutory guidance, and management have updated the Annual Report and Accounts to take account of these comments. We are satisfied that following amendment the Performance Report and Governance Statement comply with proper practice and are consistent with the accounts and our knowledge of the Service. We are also satisfied that following amendments the auditable parts of the Remuneration and Staff Report have been prepared in accordance with the relevant regulations.

We have identified eight internal control recommendations, which management have accepted and which we have set out on pages 15 and 16.

We have identified four audit adjustments which we have set out on page 26, which remain uncorrected in the final Annual Report and Accounts and are cumulatively immaterial.

Status of the Annual Report and Accounts audit

Outstanding matters to conclude the audit include:

- Receipt of final Annual Report and Accounts;
- Receipt of signed management representation letter;
- Internal quality control procedures;
- Our review of events since 31 March 2021.

Introduction (continued)

The key messages in this report (continued)

Conclusions on audit dimensions:

As set out on page 3, our audit work covered the four audit dimensions. Our separate detailed report presented to ARAC in August 2021 set out our findings and conclusions on each dimension. In accordance with the Code of Audit Practice, we have included our overall conclusions within this report on pages 20 - 23. Key highlights include:

Financial Management – The Service has effective financial planning and management arrangements. However, there remains room for improvement in setting out savings targets and performance against these, how the budget is presented, the assumptions underpinning it, how it links to the Medium-Term Financial Model ('MTFM') and Long-Term Financial Strategy ('LTFS'), and how it will enable the Service to allocate its resources to drive improvement in outcomes.

The level of outstanding recommendations from internal audit, either overdue or with revised implementation dates, suggests an issue with capacity or focus on implementation. The arrangements for prevention and detection of fraud continue to require to be further improved, as was identified by an internal audit review.

Financial sustainability - The Service achieved short-term financial balance in 2020/21. At the time of completing our procedures in April 2021 there was, as yet, insufficient evidence for us to conclude as to whether the Service can achieve short-term financial balance in 2021/22. While it is positive to note that the Service is actively assessing the financial impact of COVID-19, the anticipated impact has not yet been quantified or reported.

The Service is aware of the significant issues it faces with regards to capital investment. The Service's Capital Programme needs to tie in to the Asset Management Strategy ('AMS'), LTFS or the Service's change programme. It should also quantify the ongoing impact or risk of less than required investment. Reporting against the Capital Programme should provide sufficient evidence to conclude as to whether capital projects are delivered on time and on budget.

The LTFS developed by the Service is in line with good practice. However, the Service should ensure this document is used for ongoing decision making, is reported against, and is clearly linked to the MTFM, Capital Programme, Workforce and Strategic Resourcing Plan or Resource Budget. The LTFS should act as a strategic document that supports longer-term financial thinking.

Key to the Service's financial sustainability is the delivery of a comprehensive change programme. The Service is in the early stages of transitioning to a new change programme, following a comprehensive review of the Service's approach to change. We will continue to review the Service's approach to change as it progresses throughout 2021/22.

Governance and Transparency – The Service continues to have effective governance and scrutiny arrangements in place, although improvements should be made with regards to the implementation of these arrangements. Appropriate arrangements have been put in place in response to the COVID-19 pandemic. While the Service continues to be open and transparent, it could have permitted public access to meetings earlier than it did, and there remains room for improvement in this area.

The Service continues to have strong leadership in place. This has been particularly evident in the response to COVID-19. Changes to the management structure with the creation of a Service Delivery Directorate and a Service Development Directorate are positive steps as the Service moves to having transformation at a strategic level as part of normal Service business.

Introduction (continued)

The key messages in this report (continued)

Value for Money – We recognise that the COVID-19 pandemic has had a significant impact on the Service. It is important that the Service take any lessons learned as it moves into the recovery phase to consider alternative approaches to service delivery. The Service has a clear and robust Performance Management Framework which is aligned to the National Performance Framework. However, performance reporting is inconsistent and reporting improvements that demonstrate how different parts of the Service are performing comparatively should be deployed. Performance reporting would benefit from more narrative which clearly sets out how indicators and outcomes tie in together.

Best Value – The Service has sufficient arrangements in place to secure Best Value with a focus on continuous improvement, although there is room for improvement in the Service’s internal processes for identifying areas for improvement and implementing the necessary changes, as well as in the pace of improvement.

Next steps

An Action Plan, with management comment, was included in the separate wider scope report that was presented to ARAC in August 2021. Additional actions arising from the audit of the Annual Report and Accounts is included in an agreed Action Plan included on pages 15 and 16 of this report. We will consider progress with all agreed actions as part of our 2021/22 audit.

Added value

Our aim is to add value to the Service by providing insight into, and offering foresight on, financial sustainability, risk and performance by identifying areas for improvement and recommending and encouraging good practice. In so doing, we aim to help the Service promote improved standards of governance, better management and decision making, and more effective use of resources.

In addition, we included our “sector developments” in the separate wider scope report that was presented to ARAC in August 2021 which covers our research, informed perspective and best practice from our work across the wider public sector that are specifically relevant to the Service.








Pat Kenny
Audit Director

Annual Report and Accounts audit



Impact on the execution of our audit

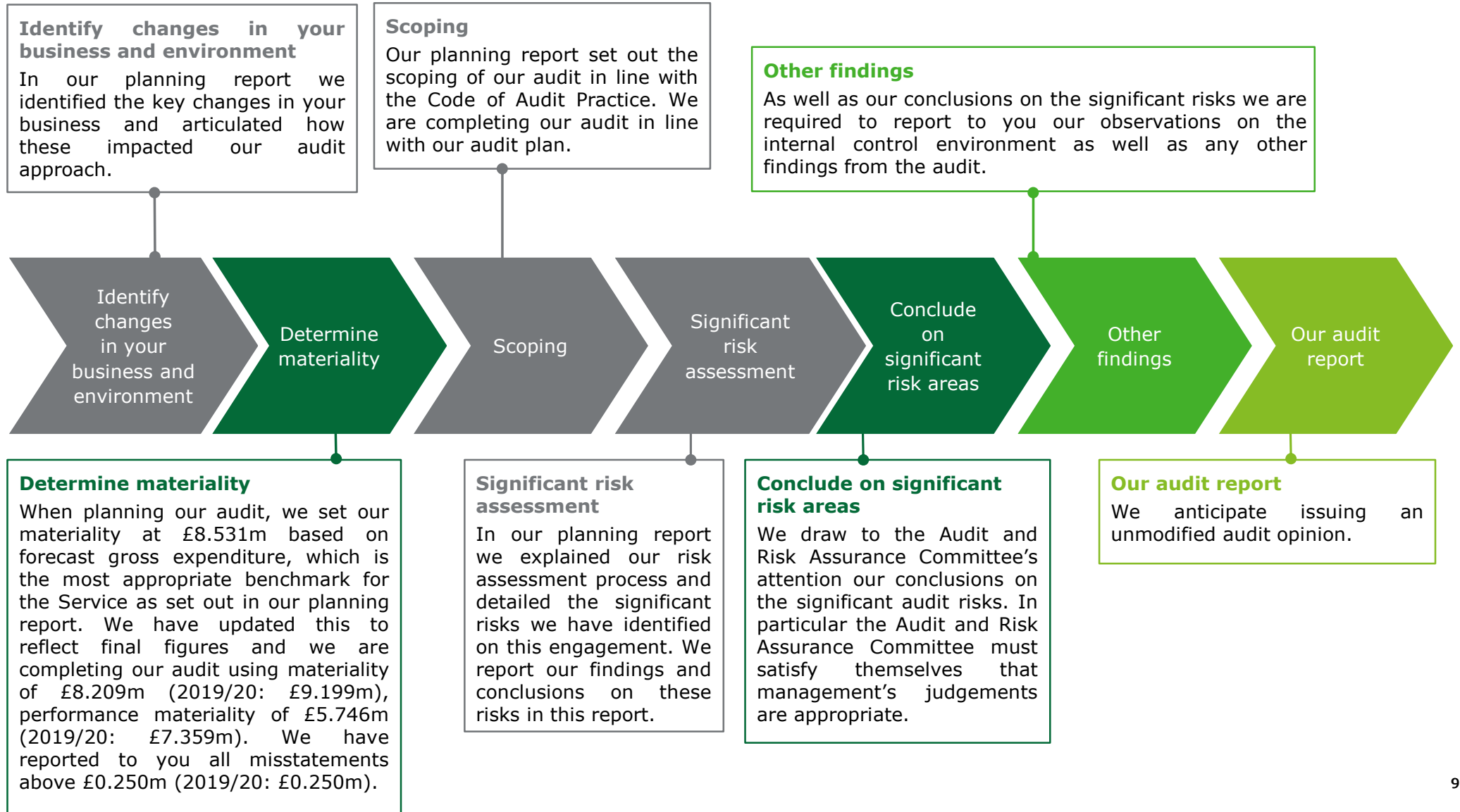
Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit. This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading	Reason
Timing of key accounting judgements		Management have demonstrated a clear understanding of areas subject to accounting judgements/estimates.
Adherence to deliverables timetable		Management have provided evidence in a timely manner, however, on occasions, management have requested that deadlines are extended. The extensions have had an impact on the overall planned audit timeline and delivery of our fieldwork. There was also a delay in receiving finalised comments from the Service on the Wider Scope and Best Value report presented to ARAC in August 2021.
Access to finance team and other key personnel		Deloitte and the Service have worked together to facilitate remote communication during the audit which has been successful. To inform our Wider Scope and Best Value report, we held meetings with senior individuals across the Service, with no issues as to access or availability for those meetings.
Quality and accuracy of management accounting papers		Documentation provided has been of a good standard. There has been an improvement on the working papers provided since the prior year with respect to debtors and creditors.
Quality of draft Annual Report and Accounts		A full draft of the Annual Report and Accounts was received for audit on 27 August 2021. Whilst the draft was of a good standard, there were more required changes raised in comparison to 2019/20, in order to ensure compliance with the FReM.
Response to control deficiencies identified		We have not identified any control deficiencies during our audit. We have identified eight control insights.
Volume and magnitude of identified errors		Our review of the financial statements identified some disclosure deficiencies, which management have updated in the final Annual Report and Accounts. We have identified four uncorrected errors as a result of our testing.





 Lagging
  Developing
  Mature

Our audit explained

We tailor our audit to your business and your strategy



Significant risks Dashboard

Risk	Material	Fraud risk	Planned approach to controls testing	Controls testing conclusion	Consistency of judgements with Deloitte's expectations	Comments	Page no.
Operating within the expenditure resource limits			D+I	Satisfactory	Satisfactory	Internal control recommendations raised	11
Management override of controls			D+I	Satisfactory	Satisfactory	Satisfactory	12

Overly prudent, likely to lead to future credit



Overly optimistic, likely to lead to future debit.

D+I: Testing of the design and implementation of key controls

Significant risks (continued)

Operating within expenditure resource limits



Risk identified and key judgements

Under Auditing Standards there is a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. In line with previous years, we do not consider this to be a significant risk for the Service as there is little incentive to manipulate revenue recognition with the entirety of revenue being from the Scottish Government which can be agreed to confirmations supplied.

We therefore consider the fraud risk to be focused on how management operate within the expenditure resource limits set by the Scottish Government. There is a risk that the Service could materially misstate expenditure in relation to year end transactions, in an attempt to align with its tolerance target or achieve a breakeven position.



Deloitte response and challenge

We have evaluated the results of our audit testing in the context of the achievement of the target set by the Scottish Government. Our work in this area included the following:

- Evaluated the design and implementation of controls around monthly monitoring of financial performance and year end accruals;
- Obtained independent confirmation of the resource limits allocated to the Service by the Scottish Government;
- Performed focused testing of accruals made at the year end;
- Performed focused cut-off testing of invoices received and paid around the year end.

Deloitte view

Our work in this area is complete. We have identified one misstatement in the current period related to the accounting for Firefighter's Uniforms which would increase the reported capital resource spend by £4.659m, reduce inventory and increase Property, Plant and Equipment by the same amount. We have raised two internal control recommendations in relation to the holiday pay accrual process and the accounting for Firefighter's Uniforms connected to our testing in relation to this risk. Whilst the adjustment to the capital resource limit, results in capital spend exceeding the limit for the current year, the adjustment is not material and therefore the results of our audit work do not result in a change to our audit opinion.

Significant risks (continued)

Management override of controls



Risk identified

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent Annual Report and Accounts by overriding controls that otherwise appear to be operating effectively.

Although management is responsible for safeguarding the assets of the entity, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the Annual Report and Accounts and accounting records.



Deloitte response and challenge

In considering the risk of management override, we have performed the following audit procedures that directly address this risk:

Journals

We have tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Annual Report and Accounts. In designing and performing audit procedures for such tests, we have:

- Tested the design and implementation of controls over journal entry processing;
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Selected journal entries and other adjustments made at the end of a reporting period; and
- Considered the need to test journal entries and other adjustments throughout the period.

Accounting estimates and judgements

We have reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. In performing this review, we:

- Evaluated whether the judgements and decisions made by management in making the accounting estimates included in the Annual Report and Accounts, even if they are individually reasonable, indicate a possible bias on the part of the entity's management that may represent a risk of material misstatement due to fraud. We have not identified any indications of bias.
- Performed a retrospective review of management judgements and assumptions related to significant accounting estimates reflected in the Annual Report and Accounts of the prior year.

Significant and unusual transactions

We did not identify any significant transactions outside the normal course of business or any transactions where the business rationale was not clear.

Deloitte view

Our work in this area is complete. We have nothing to report in respect of our work in relation to this risk.

Significant risks (continued)

Management override of controls (continued)

Key judgements The key judgements in the Annual Report and Accounts are those which we have selected to be the significant audit risks around the achievement of expenditure resource limits (page 11). While not considered to be significant audit risks, we have also considered the assumptions used to calculate the pension liability (page 14). Below, we set out our challenge of the assumptions used in the determination of other key accounting estimates and judgements being property valuations.

Estimate / judgement	Details of management's position	Deloitte Challenge and conclusions
Property valuations	<p>The Service is required to hold property assets within Property, Plant and Equipment at a modern equivalent use valuation. The valuations are, by nature, significant estimates based on specialist and management assumptions and which can be subject to material changes in value.</p> <p>The Service has an internal valuer who carried out their valuation as at 31 March 2021 to include valuation of 50% of all of the Service's land and property in accordance with its 2-year rolling programme.</p> <p>The valuation method has not changed from the prior year and is in line with International Financial Reporting Standards.</p>	<p>We did not identify this as a significant risk in our Audit Plan as our property specialists, Deloitte Real Estate, reviewed the methodology applied by the Service's valuer in previous years and concluded it was robust. We have confirmed that the valuer and the methodology applied has not changed in the year.</p> <p>We have challenged management's assessment and consulted with our internal property specialists. For those valued on Existing Use Value on a market comparable basis, our property experts have confirmed that minimal market value would be expected in 2020/21. For those valued on a Depreciated Replacement Cost basis, which would be impacted by changes in build costs during the year, we have performed an analysis of changes in the Build Costs Information Service index and concluded that no material movement would be expected. We are therefore satisfied that there is no indication of a material movement in assets not formally revalued during the year.</p> <p>We have reviewed the valuer's report, specifically considering the impact of COVID-19. The Service's valuer has confirmed that the valuation is not reported as being subject to 'material valuation uncertainty'. As such our audit report does not make reference to this in the current year.</p>

Other areas of focus

Pension liability



Risk identified and key judgements

SFRS participates in two types of defined benefits schemes:

- Local Government Pension Schemes (LGPS); and
- Firefighters Pension Schemes (FFPS).

The net pension liability has increased from £4,471m in 2019/20 to £4,816m in 2020/21. The increase was as a result of changes in assumptions resulting in an actuarial loss of £274m in 2020/21 compared to an actuarial loss of £477m in 2019/20; this was due to a change in assumptions, including a reduction in the discount rate which dropped from 1.8% to 1.25%. The liability also continues to be affected by the McCloud and Goodwin legal cases, as well as Guaranteed Minimum Pension (GMP) indexation.

- McCloud – this case is in respect of possible discrimination in the implementation of the transitional protections following the introduction of the reformed public services pension schemes from 1 April 2014 and 2015.
- Goodwin – this is a legal challenge made against the Government in respect of unequitable benefits for the male dependents of female members (based on service after 1988) following the earlier Walker ruling.

SFRS uses a number of actuaries for the 8 LGPS (Hymans Robertson LLP, Barnett Waddingham LLP and Mercer) and the FFPS (the Government's Actuary Department, GAD). They all produce detailed reports outlining the estimated liability at the year end along with the associated disclosure requirements.

The pension liability valuation is an area of audit focus due to the material value and significant assumptions used in the calculation of the liability. The valuations are prepared reputable actuaries using standard methodologies which have been considered as appropriate in previous years and no significant changes in the membership of the scheme or accrued benefits are expected in the current year. As a result, we have not identified this as a significant risk.

Deloitte response and challenge

- Assessed the independence and expertise of the actuaries supporting the basis of reliance upon their work;
- Reviewed and challenged the assumptions made by actuaries.;
- Obtained assurance from the auditor of the pension funds over the controls for providing accurate data to the actuaries.;
- Considered the impact of the Triennial Review of the LGPS pension funds;
- Assessed the reasonableness of SFRS's share of the total assets of the scheme with the Pension Fund financial statements;
- Reviewed and challenging the calculation of the impact of the McCloud, Goodwin, and GMP cases on pension liabilities; and
- Reviewed the disclosures within the accounts against the FReM.

Deloitte view

We identified three uncorrected errors in relation to the impact of Goodwin, McCloud and also from our assurance letters from the Pension Fund auditors, as set out on page 26 of the report. These errors are individually and cumulatively immaterial.

Other significant findings

Internal control

During the course of our audit we have identified eight internal control finding, which we have included below for information.

Area	Observation	Management Response	Priority
Management Review	We have identified a number of required adjustments to the disclosures included within the Annual Report and Accounts during our audit. In future years, we would encourage the Service to further enhance their existing processes in reviewing the Annual Report and Accounts before submitting the draft Annual Report and Accounts for audit, to minimise the number of required changes.	SFRS will enhance the peer review process to include the disclosure checklist and improve the overall quality of the Annual Report and Accounts.	●
Cash and Banking Process	During our discussions in respect of the Cash and Banking process, we understand that there is a "cash banking daily log" spreadsheet completed. This is updated by the cashiers department, however, for the spreadsheet we reviewed, the "Prepared by" and "Reviewed by" boxes were not completed. Whilst, we note there is a mitigating control, being the "Cash flow monitoring" document, we would recommend that the Service reviews its processes to ensure appropriate segregation of duties by evidencing the "Prepared by" and "Reviewed by" element of the "cash banking daily log".	Noted. This process has now been amended and the relevant boxes are being completed by the Preparer and Reviewer and checked by an Accountant.	●
Fixed Asset Register	From our detailed Property, Plant and Equipment testing, it was noted that there was no review of the capital accounting entries into the Fixed Asset Register module of Technology One. The Service should implement a review control and segregation of duties such that one person calculates and prepares all of the year-end fixed asset accounting entries, and another person reviews these to ensure that they are accurate.	A review process will be implemented to demonstrate that transactions are reviewed. Due to technical constraints, this will not be held within the financial system.	●
Impairment review	Non-current assets that are not subject to the formal revaluation review in the year should be reviewed for impairment indicators. As part of the year-end financial reporting process this should be documented in a management paper clearly setting out the process and discussions that have taken place. This should address impairment indicators for each asset class i.e. Vehicles, ICT Equipment, Operational Equipment.	The SFRS will carry out an annual review for different categories of assets to take into account potential changes in value.	●

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to you.





Low Priority

Medium Priority

High Priority

Other significant findings (continued)

Internal control (continued)

Area	Observation	Management response	Priority
Depreciation calculation	SFRS' depreciation policy is not to depreciate assets in the year of addition to the Fixed Asset Register and to charge a full years depreciation in the year of disposal. Given that the Service currently has a significant balance of assets included within Assets Under Construction, the Service should review it's depreciation policy to ensure that it remains fit for purpose and does not distort the Service's in year expenditure.	The Depreciation Policy will be reviewed to ensure continued relevance. The SFRS will undertake a review of Assets Under Construction to determine if deprecation would be materially different should the policy change.	
Firefighter's Uniforms	As part of our audit procedures, we have identified that management account for the purchase of Firefighter's Uniforms initially within inventory, before reclassifying them to Property, Plant and Equipment when the uniform is provided to the Firefighter for usage. This accounting treatment is non-compliant with the FReM, and an error has been raised on page 26 and also included within the management representation letter. The impact of this incorrect treatment is that the budgetary impact is currently recorded within the wrong financial period, being the year of distribution rather than the year of purchase. We understand that management have held initial discussions with the Sponsor department regarding realigning the capital budget, however, it is recommended that the Service finalise these discussions as soon as possible and for the 2021/22 Annual Report and Accounts.	A business case for an increase of £3.7 million in CDEL funding was submitted to Scottish Government in November 2021. Approval for the increase has still to be confirmed.	
Holiday Pay accrual calculation	From our work in respect of the holiday pay accrual, we understand that one individual is responsible for the preparation of the holiday pay accrual. Management should look to plan for the future and ensure that within the wider team there are people who are able to cover this role to add greater resilience to the preparation of key working papers.	The long term aim is to automate this process within our HR/Finance systems. The Decision Support Manager will work with the Finance Business Partner to increase resilience for this task going forward.	
Related Party transactions	From our related party work, we identified that management had not identified all related parties (such as SFRS Family Support Trust) which has subsequently been updated within the Annual Report and Accounts. Management should refresh their processes for identifying related parties to ensure that they adequately capture all bodies.	This has been noted and processes refreshed. Amendments have been made to the Register of Interests.	

Other significant findings (continued)

Financial reporting findings

Below are the findings from our audit surrounding your financial reporting process.

Qualitative aspects of your accounting practices:

The Service's Annual Report and Accounts have been prepared in accordance with the FReM. While the Annual Report and Accounts provides the user with a significant amount of useful information in an engaging manner, our review identified a number of areas where the Service could improve the structure and disclosures within the Annual Report and Accounts to better demonstrate compliance with the FReM and further enhance the effectiveness of the document.

Significant matters discussed with management:

Significant matters discussed with management related primarily to the impact of COVID-19 on the organisation.

Other matters relevant to financial reporting:

We have not identified other matters arising from the audit that, in the auditor's professional judgement, are significant to the oversight of the financial reporting process.

We will obtain written representations from the Board on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist. A copy of the draft representations letter has been circulated separately.

Our audit report

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



Our opinion on the financial statements

We expect to issue an unmodified opinion.



Material uncertainty related to going concern

We have not identified a material uncertainty related to going concern and will report by exception regarding the appropriateness of the use of the going concern basis of accounting.

Practice Note 10 provides guidance on applying ISA (UK) 570 Going Concern to the audit of public sector bodies. The anticipated continued provision of the service is relevant to the assessment of the continued existence of a particular body. We have provided feedback to management in respect of the current disclosure and will review the updated disclosure when updated Annual Report and Accounts are received.



Emphasis of matter and other matter paragraphs

There are no matters we judge to be of fundamental importance in the financial statements that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.



Other reporting responsibilities

The Annual Report is reviewed in its entirety for material consistency with the financial statements and the audit work performance and to ensure that they are fair, balanced and reasonable. We are awaiting updated financial statements from management in order to conclude on this area.

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. Our work is still in progress and we will provide a verbal update at the ARAC.

Our opinion on matters prescribed by the Auditor General for Scotland are discussed further on page 19.

Your Annual Report

We are required to provide an opinion on the auditable parts of the Remuneration and Staff Report, the Annual Governance Statement and whether the Performance Report is consistent with the disclosures in the accounts.

	Requirement	Deloitte response
The Performance Report	The report outlines the Service's' performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by the Service.	<p>We have assessed whether the Performance Report has been prepared in accordance with the accounts direction.</p> <p>We have also read the Performance Report and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading.</p> <p>We provided management with comments and required changes to ensure the Performance Report is in line with the requirements of the FReM and have confirmed that all changes have been made.</p>
The Accountability Report	Management have ensured that the Accountability Report meets the requirements of the FReM, comprising the governance statement, Remuneration and Staff Report and the Parliamentary Accountability Report.	<p>We have assessed whether the information given in the Governance Statement is consistent with the financial statements and has been prepared in accordance with the accounts direction.</p> <p>We have also read the Accountability Report and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading. A number of changes were identified during the course of the audit. We have confirmed that these changes have been appropriately made.</p>
Going Concern	Management has made appropriate disclosure relating to Going Concern matters.	We are satisfied from a review of the 2021/22 budget, consideration of the actual position to date in 2021/22, and the assumption of continued provision of services set out in the FReM and Practice Note 10, that it is appropriate to prepare the accounts on a going concern basis, and that no material uncertainty on going concern exists. We have provided feedback to management in respect of the current disclosure and have confirmed that the appropriate amendments have been made.

Audit dimensions and best value



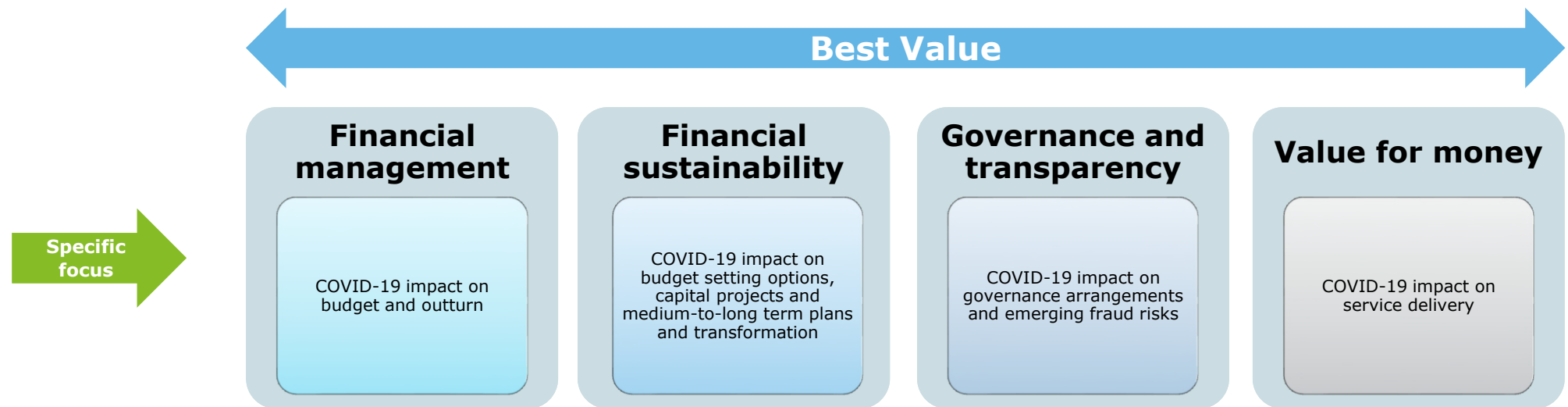
Audit Dimensions and Best Value

Overview and conclusions

As set out in our audit plan and separate report on the “Audit Dimensions and Best Value” presented to the Committee in August 2021, public audit in Scotland is wider in scope than financial audits. Our separate report sets out our findings and conclusions on our audit work covering the areas set out below. Our report is structured in accordance with the four **audit dimensions**, but also covers our specific audit requirements on Best Value.

The risk profile of public bodies for the 2020/21 audits is significantly affected by the COVID-19 pandemic. Our audit work across each dimension has therefore been specifically focussed on how HES has responded to these risks.

It is important to note that audits are by nature risk based. Where we don’t identify any risks, being the areas likely to have the most good practice, we don’t consider them in our work. Where we identify risks, being areas likely to have most room for improvement, we consider them in our work. Our work is by design therefore more likely to pick up areas for improvement; but where we identify good practice through our risk-based work we highlight it. This represents the most effective use of limited audit resources. It is important to stress that the audit therefore is not an opinion on the overall performance of SFRS, it is an opinion on parts of SFRS which have been identified as being most in need of audit as a result of a risk assessment.



Audit dimensions and best value (continued)

Overview and conclusions (continued)

Financial management

The Service has effective financial planning and management arrangements which are robust enough to manage financial activity and capture and address any challenges to the achievement of financial targets. The financial position and variances were transparently reported to the Board throughout the year. However, savings targets are unclear and other than the net savings as a result of COVID-19, it is not clear what level of savings the Service aimed to achieve or actually achieved. There is also room for improvement in setting out how the budget is prepared, the assumptions underpinning it, how it links to the MTFM and LTFS, and how it will enable the Service to allocate its resources to drive improvement in outcomes. Overall, while the Service has demonstrated effective operational financial management, there is room for improvement in a number of areas, to bring the Service in line with both developed and emerging good practice, as set out in the Action Plan at the end of this report.

The capacity of the finance team has remained consistent during the year, following a restructure in 2019/20. There have been changes subsequent to 2020/21 and plans for a further consideration of the structure. We will monitor the outcome of the ongoing review as part of our 2021/22 audit.

The level of outstanding recommendations from internal audit, either overdue or with revised implementation dates, suggests an issue with capacity or focus on implementation. The arrangements for prevention and detection of fraud continue to require improvement, as was identified by an internal audit review.

Financial sustainability

The Service achieved short-term financial balance in 2020/21. While the Service has set a balanced budget for 2021/22, at the date of completing our procedures in April 2021, there was insufficient evidence for us to conclude as to whether efficiency targets are realistic or whether the Service can achieve short-term financial balance in 2021/22.

While it is positive to note that the Service is actively assessing the financial impact of COVID-19, the anticipated impact has not yet been quantified or reported. There does remain a risk regarding the impact, therefore it is important that the position is closely monitored and is reflected in reporting to the Board.

The Service is faced with significant issues with regards to capital investment. While the Service is aware of these issues, its Capital Programme does not effectively tie in to the AMS, LTFS or the Service's change programme, or quantify the ongoing impact or risk of less than required investment. Reporting against the Capital Programme does not provide sufficient evidence to conclude as to whether capital projects are delivered on time and on budget.

The LTFS developed by the Service is in line with good practice. However, it is not referred to in ongoing decision making, is not reported against, and is not clearly linked to the MTFM, Capital Programme, Workforce and Strategic Resourcing Plan or Resource Budget. It is not clear how the LTFS therefore acts as a strategic document that supports longer-term financial thinking.

Key to the Service's financial sustainability is the delivery of a comprehensive change programme. The Service is aware that progress against its historical Transformation Programme and Major Projects has not been sufficient. The Service is in the early stages of transitioning to a new change programme, following a comprehensive review of the Service's approach to change. This is welcome, and we will continue to review the Service's approach to change as it progresses throughout 2021/22.

Audit dimensions and best value (continued)

Overview and conclusions (continued)

Governance and Transparency

The Service continues to have effective governance and scrutiny arrangements in place, although improvements are needed with regards to the implementation of these arrangements. While the Service's governance framework is underpinned by a comprehensive suite of governance documents, there is room for improvement in the scrutiny and monitoring of performance against the Service's key governance and strategic documents. Appropriate arrangements have been put in place in response to the COVID-19 pandemic, although the Service could have permitted public access to meetings earlier than it did, and there remains room for improvement in this area.

The Service continues to have strong leadership in place. This has been particularly evident in the response to COVID-19, the streamlined decision-making arrangements and the arrangements for developing the Reset and Renew Routemap. Changes to the management structure with the creation of a Service Delivery and Service Development Directorate is a positive step as the Service moves to having transformation at a strategic level as part of normal Service business. The impact of COVID-19 has delayed this.

The Service continues to be open and transparent. In the interest of continuous improvement, it should consider if there are any lessons learned from other public bodies or other ways of engaging with wider stakeholders.

Value for Money

We recognise that the COVID-19 pandemic has had a significant impact on the Service. It is important that the Service take any lessons learned as it moves into the recovery phase to consider alternative approaches to service delivery.

The Service has a clear and robust Performance Management Framework which is aligned to the National Performance Framework. However, performance reporting is inconsistent and it is unclear how different parts of the Service are performing comparatively. While there are differences across the Service and benchmarking will not be possible in all areas, the Service should perform benchmarking for significant parts of service delivery and provide supporting narrative for differences.

While the structure of the Performance Management Framework and the subsequent performance reporting is clear in aligning indicators with outcomes, there is a need for more narrative to clearly set out how these tie in together, and how the performance when combined has impacted on the desired outcome.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit and Risk Assurance Committee discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report;
- Our internal control observations; and
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the Annual Report and Accounts.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the Service, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the Audit and Risk Assurance Committee.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.



Pat Kenny, CPFA

For and on behalf of Deloitte LLP

Glasgow | 15 December 2021

Appendices



Audit adjustments

Unadjusted misstatements

The following uncorrected misstatements have been identified, which we request that you ask management to correct as required by ISAs (UK).

		Debit/(Credit) Statement of Comprehensive Net Expenditure £m	Debit/(Credit) in Net Assets £m	Debit/(Credit) prior year Taxpayer's Equity £m	Debit/(Credit) in Income £m	If applicable, control deficiency identified
Misstatements identified in current year						
Firefighter's Uniforms	[1]	-	4.659 (4.659)	-	-	16
GMP Equalisation	[2]	0.800	(0.800)	-	-	N/A
Goodwin	[3]	0.320	(0.320)	-	-	N/A
Pension Fund Auditor	[4]	(0.386)	0.386	-	-	N/A
Total		0.734	(0.734)	-	-	

- (1) As set out on page 16, the accounting for the purchase of Firefighter's Uniforms is incorrectly recorded within inventory and should be included within Property, Plant and Equipment. This adjustment is a balance sheet reclassification between current assets and non-current assets.
- (2) In respect to the Service's Local Government Pension Schemes, no allowance has been made for GMP Equalisation. This adjustment is to recognise the impact of GMP Equalisation within Other Comprehensive Income.
- (3) In respect to the Service's Local Government Pension Schemes, no allowance has been made for the Goodwin ruling. The impact was not reflected within the prior year accounts, and therefore this adjustment recognises the cost within the past service cost within the Statement of Comprehensive Net Expenditure.
- (4) This is the Service's share of the errors identified by the Local Government Pension Scheme auditors in respect of the Local Government Pension Scheme accounts.

Audit adjustments

Adjusted misstatements

The following corrected misstatements have been identified up to the date of this report.

	Debit/(Credit) Statement of Comprehensive Net Expenditure £m	Debit/(Credit) in Net Assets £m	Debit/(Credit) prior year Taxpayer's Equity £m	Debit/(Credit) in Income £m	If applicable, control deficiency identified
Misstatements identified in current year					
None identified					
Total					

Audit adjustments (continued)

Disclosures

Disclosure misstatements

We have provided management with some required disclosure adjustments. We communicate to you the corrected and uncorrected disclosure misstatements to assist you in fulfilling your governance responsibilities, including reviewing the effectiveness of the system of internal control. We have confirmed that all required changes have been made.

Disclosure	Summary of disclosure requirement	Quantitative or qualitative consideration
<p><i>Staff Turnover</i></p> <p>Through our review of the Annual Report and Accounts we identified that the staff turnover percentage was not included.</p>	<p>FReM 6.5 sets out the required disclosures</p>	<p>Qualitatively material</p>
<p><i>Related Parties</i></p> <p>Through our review of the Annual Report and Accounts we identified that the Related Party disclosure was not compliant with International Accounting Standards.</p>	<p>IAS 24 sets out the required disclosures</p>	<p>Qualitatively material</p>
<p><i>Estimates and Judgements and Adoption of Accounting Standards</i></p> <p>Through our review of the Annual Report and Accounts we identified that the Estimates and Judgements disclosure was not compliant with International Accounting Standards</p>	<p>IAS 1 and 8 sets out the required disclosures</p>	<p>Qualitatively material</p>

Our other responsibilities explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

As auditor, we obtain reasonable, but not absolute, assurance that the Annual Report and Accounts are free from material misstatement, whether caused by fraud or error.



Required representations:

We have asked the Service to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the Annual Report and Accounts may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the entity or group.

We have also asked the Service to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.



Audit work performed:

In our planning we identified the risk of fraud in relation to operating within the expenditure resource limit and management override of controls as a key audit risk for your organisation.

During course of our audit, we have had discussions with management and those charged with governance.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the Service and our objectivity is not compromised.

Fees

The audit fee for 2020/21, in line with the expected fee range provided by Audit Scotland, is £106,070, as analysed below:

	£
Auditor remuneration	82,790
Audit Scotland fixed charges:	
Pooled costs	19,060
Audit support costs	4,220
Total fee	106,070

The audit adjustments identified and the delays in obtaining some supporting documentation, and the impact of COVID-19 have all impacted on the level of audit work required. We have yet to fully assess the impact. Once completed, we will discuss any impact on the fee with management.

No non-audit services fees have been charged for the period.

Non-audit services

In our opinion there are no inconsistencies between the FRC's Ethical Standard and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships

We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its board and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence.

We are not aware of any relationships which are required to be disclosed.

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SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/10-22

Agenda Item: 9.2

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	DELOITTE – AUDIT DIMENSIONS AND BEST VALUE REPORT FOR YEAR ENDED 31 MARCH 2021						
Report Classification:	For Scrutiny	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with a progress report on the Deloitte Audit Dimensions and Best Value Report.						
2	Background						
2.1	Deloitte, as External Auditors to Scottish Fire and Rescue Service (SFRS), undertook an Audit Dimensions and Best Value review for year ended 31 March 2021, designed to help the Audit Committee and the SFRS Board discharge their governance duties on the following areas: <ul style="list-style-type: none"> • Financial Management • Financial sustainability • Governance and transparency • Value for money; and • Best Value 						
2.2	The report was provided to SFRS as part of their overall 2020/21 audit responsibilities and provided to ARAC at a private meeting on 26 August 2021. The final report contained 28 recommendations for improvement with Responsible Owners providing a management response for each recommendation.						
2.3	Deloitte identified that the risk profile of public bodies for 2020/21 was significantly affected by Covid-19 and the audit work undertaken across the dimensions covered was therefore specifically focused on how the Service responded to these risks.						
3	Main Report/Detail						
3.1	The Acting Director of Finance and Procurement provided a report to the Good Governance Board (GGB) on 14 December 2021 identifying the monitoring framework for the Deloitte report.						
3.2	The format was agreed by GGB and follows the principles developed for Internal Audit with an aligned Master Register and Report Dashboard. This information is attached in Appendix A and B.						
3.3	Following the creation of the follow-up process in December the following areas are highlighted for the Committee's information:						

3.4	<p>Recommendations Not Accepted</p> <p>Recommendation 1.7 (P3) The relevant committee or Board should ensure that it considers whether the process by which management have determined the structure of the finance function is sufficiently robust to enable the Service to make full and effective use of the finance function to drive improvements in the use of resources, as recommended throughout our work.</p> <p>This recommendation was not agreed within the final report with supporting narrative provided by Acting Director of Finance and Procurement.</p>
3.5	<p>Actions Identified as Complete by Responsible Owner</p> <p>Recommendation 3.2 (P10) The Service should reconsider its approach to allowing public access to Board meetings, to ensure that Board members are being as accountable and transparent as reasonably practicable, as required under the Fire (Scotland) Act 2005.</p> <p>Information supporting closure was provided by the Director of SPPC and is contained within the Master Register.</p>
3.6	<p>Actions with Revised Dates</p>
3.6.1	<p><u>Recommendation 2.1</u> (P5). Following completion of work with the Scottish Government in assessing the capital investment needs of the Service, the AMS should be reviewed to ensure that it aligns with this need, the Strategic Plan and the Change Programme.</p> <p>There are a number of tasks involved in the creation of an Asset Management Strategy, critically this will include work to align the strategy with the outcomes from the Service Delivery Model Programme (SDMP) which is scheduled for completion in March 2023. Request for this action due date to be moved to March 2023 to tie in with both the SDMP programme, as well as an internal audit action for a revised Property Strategy which has been approved for completion in March 2023.</p> <p>Target completion date revised from 31 March 2022 to 31 March 2023.</p>
3.6.2	<p><u>Recommendation 4.1</u> (P11). The Service should report on the process it has undertaken to attempt benchmarking of performance internally, in order to ensure that local areas learn from good practice elsewhere in the Service. This report should identify those areas where effective benchmarking can be carried out and how this will be done going forward, as well as reporting on those areas where effective benchmarking cannot be carried out and why this is the case.</p> <p>Benchmarking information will be included within performance management reporting increasingly during 2022/23 and will form part of the 21/22 PMF Annual Report due for publication in November 22. It will not be part of the 20/21 report recently created. This action will not be formally closed until we have created the PMF Annual Report in November 2022.</p> <p>Target completion date revised from 31 March 2022 to 30 November 2022.</p>
3.6.3	<p><u>Recommendation 4.2</u> (P12). Performance reports should include targets and trend data to enable a meaningful assessment of performance.</p> <p>Target and trend data is evident in reports currently produced across the Service. In addition, a paper on KPI Methodology and Target Setting Recommendations was submitted through Good Governance in August 2021. This identified current issues in the</p>

	<p>Services approach to target setting. Despite a significant relaxation in restrictions affecting SFRS operational activity, residual effects of the Covid-19 global pandemic will continue for some time.</p> <p>With no previous experience of regaining normality following a global pandemic, accurate recognition of the full societal, environmental, and economic impact is not possible until some stability is retained across all factors. As such, target setting that is both reasonable and achievable for the 2021/22 period is complex and will be considered into 2021/22 in line with the design of the PMF that will support the new Strategic Plan.</p> <p>Full corporate performance in all directorate areas following same rules and format unlikely to be in place until 2023.</p> <p>Target completion date revised from 31 March 2022 to 31 March 2023.</p>
4	Recommendation
4.1	<p>The Audit and Risk Assurance Committee is asked to:</p> <ul style="list-style-type: none"> • Scrutinise the Deloitte Master Register, attached as Appendix A. • Note the overview Dashboard, attached as Appendix B.
5	Key Strategic Implications
5.1	Risk
5.1.1	External Audit forms part of the Services wider governance and assurance framework and aims to minimise the Services exposure to risk.
5.2	Financial
5.2.1	Any financial implications arising from the Deloitte report are contained within the Master Register in Appendix A.
5.3	Environmental & Sustainability
5.3.1	Any environment or sustainability implications arising from the Deloitte report are contained within the Master Register in Appendix A.
5.4	Workforce
5.4.1	Any workforce implications arising from the Deloitte report are contained within the Master Register in Appendix A.
5.5	Health & Safety
5.5.1	Any health and safety implications arising from the Deloitte report are contained within the Master Register in Appendix A.
5.6	Training
5.6.1	Any training implications arising from the Deloitte report are contained within the Master Register in Appendix A.
5.7	Timing
5.7.1	The timing of this report is aligned to our reporting requirements to Deloitte and scrutiny undertaken by ARAC and GGB.
5.8	Performance
5.8.1	The report provides assurance on the adequacy and effectiveness of management responses to external audit activity

5.9	Communications & Engagement	
5.9.1	There are no direct issues arising in relation to Communications and Engagement	
5.10	Legal	
5.10.1	There are no direct legal implications arising from this report.	
5.11	Information Governance	
5.11.1	There are no direct Information Governance implications arising from this report.	
5.12	Equalities	
5.12.1	There are no direct Equality implications arising directly from this report. Where specific actions impact upon Directorate policies or guidance this should be reflected within any relevant Equality Impact Assessment.	
5.13	Service Delivery	
5.13.1	There are no direct implications arising from this report on Service Delivery	
6	Core Brief	
6.1	Not Applicable	
7	Appendices/Further Reading	
7.1	Appendix A – Deloitte Master Register	
7.2	Appendix B – Deloitte Report Dashboard	
Prepared by:	David Johnston, Risk and Audit Manager	
Sponsored by:	John Thomson, Acting Director of Finance and Procurement	
Presented by:	John Thomson, Acting Director of Finance and Procurement	
Links to Strategy and Corporate Values		
<p>External Audit forms part of the Services Governance arrangements and links back to Outcome 4 of the 2019-22 Strategic Plan, specifically Objectives 4.2 & 4.4</p> <ul style="list-style-type: none"> • Outcome 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland. • Objective 4.2: We will minimise the risks we face through effective business management and high levels of compliance with all our responsibilities. • Objective 4.4: We will strengthen performance management and improvement arrangements to enable robust scrutiny, challenge and decision making nationally and locally 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For Scrutiny</i>

STATUS KEY	
GREEN	On Target to complete within agreed date
AMBER	Slight delay but evidence of progress OR after 3 revised dates
RED	Major delay or No evidence of progress
BLUE	Action Completed
WHITE	Deadline more than 6 months away

DELIOTTE AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL MANAGEMENT			Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
					H	M	L	H	M	L	H	M	L
			9	0	0	0	0	3	5	0	0	1	0
Rec No. 1.1	Financial Reporting The annual budget should be able to serve as a stand-alone item, capable of scrutiny and challenge on its own merits rather than by reliance on previous reporting and assumed knowledge. This should include clearly setting out the assumptions underpinning the budget.		Target Date	Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. SFRS have provided information to the Board on the annual budget as part of Board development/information sessions and then this is consolidated at the Board meeting where the budget reports are approved. In our opinion cumulatively, this gives the Board sufficient information to scrutinise the annual budget. SFRS however accepts the recommendation and will reference outputs from the information sessions to improve transparency and provide a standalone report for the Capital and Resource budgets for Board approval.	31/03/2022	n/a	HIGH	10%	GREEN						
Progress to Update		The first draft of the budget is currently being produced after Scottish Government funding announcements on the 9 th December 21 and will be shared with SLT in January before being discussed at the Board strategy day in February 2022. The final budget is planned for approval by the Board in March 2022 and will include reference to the elements discussed at the board strategy day.											
Outstanding actions to close the recommendation		Final budget report for 22/23 which will include reference to materials included in board strategy days.											
Rec No. 1.2	Financial Reporting The annual budget should be explicitly referenced to the Service's key strategic documents, for example the Strategic Plan, Workforce and Strategic Resourcing Plan and LTFS, to demonstrate how the Service is allocating its resources on a short-term basis to drive the long-term change it recognises is needed in these strategic documents.		Target Due	Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	The annual budget supports the achievement of the outcomes and objectives set out in our strategic plan. The recommendation is accepted and moving forward the annual budget will allocate resources with reference to other strategic documents including the Workforce and Strategic Resourcing Plan and the Long Term Financial Strategy.	31/03/2022	n/a	HIGH	50%	GREEN						
Progress to Update		The budget strategy has been developed and explains the overall financial position and makes specific reference to the long term financial strategy. Workforce planning information is used as part of the budget setting for establishing the staffing budget. The latest workforce strategic resource plan will be reviewed as part of the budget setting.											
Outstanding actions to close the recommendation		Latest Workforce strategic resource plan reviewed and considered for staff budget.											

Rec No.	Financial Reporting		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
1.3	The annual budget should provide a high-level summary of how resources are allocated against the Service's outcomes, to enable the Board to challenge whether resources are appropriately allocated and sufficiently targeted to address areas of poor performance.						
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	SFRS agree with this recommendation and will seek to engage with the Board on the presentation of the budget to demonstrate how resources are allocated to outcomes to aid scrutiny.	31/03/2023	n/a	HIGH	10%	GREEN
Progress to Update		Options for considering budget to outcomes was presented to an informal SLT. Further research is underway on topic after SLT feedback and engagement with board members is being sought to give input at this early stage as well as seeking examples from Deloitte.					
Outstanding actions to close the recommendation		High level summary of how resources are allocated to service outcomes					
Rec No.	Savings Plans		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
1.4	The budget should clearly set out how the savings target included within it links in with the savings requirements identified in the MTFM and the LTFS.						
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. SFRS will be explicit about the targeted budgeted savings anticipated as part of the budget setting process. The Medium Term Financial Model (previously validated by Deloitte) is updated on an annual basis to include the latest assumptions such as inflation or pay awards used in the annual budget setting process. The model is then used to run various financial scenarios and support strategic decision making and where appropriate identify potential funding gaps that require efficiencies to be achieved. The Long Term Financial Strategy will be updated to reflect the latest position on savings.	31/03/2023	n/a	MEDIUM	10%	GREEN
Progress to Update		The first draft of the budget will be presented to SLT for discussion and consideration of potential areas for efficiencies. Once agreed these will form part of the budget setting and will be explicit to enable future tracking. Future efficiencies identified will also be included in the MTFM					
Outstanding actions to close the recommendation		Savings to be agreed and included in budget and MTFM.					
Rec No.	Savings Plans		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
1.5	Resource Monitoring Reports should include clear, summary information on the total amount of efficiency savings achieved in the year. This should set out whether savings are recurring or non-recurring. Cost delays should be clearly differentiated. This should include reporting on the specific targets identified in the budget and provide an update on those savings not identified in the budget but subsequently identified by the Service.						
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. The finance team as part of monthly monitoring activity track cashable efficiency savings (recurring and non-recurring) for the resource budget during the year with budget holders as well as identifying cost pressures. This information will be summarised and referenced back to the targeted efficiencies as set by the budget setting process. Our financial reporting will be developed to summarise progress and included in our financial monitoring reports to SLT and Board. Where possible information on whether savings for example COVID-19 savings (already reported) are delayed costs will be identified.	31/03/2022	n/a	MEDIUM	20%	GREEN

Progress to Update		Efficiency savings achieved for 20/21 which included recurring, non-recurring and deferred were discussed with SLT and agreed that efficiencies and the narrative would be presented as part of best value. A best value presentation to the Board as part of strategy day highlighted efficiencies will be included as part of our annual reporting on best value.				
Outstanding actions to close the recommendation		The identification of efficiencies in the budget setting process for 22/23 will enable reporting of these efficiencies as part of financial reporting moving forward. The efficiencies for 21/22 will be included in the annual reporting.				
Rec No. 1.6	Savings Plans The annual budget should clearly set out efficiency savings targets, including where these are expected to be achieved. The budget should identify which savings have already been identified and can be specifically reported against in the year, with a 'RAG' risk rating for those savings yet to be identified in terms of the risk of the Service being able to deliver them.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. All targeted savings are identified and included in the budget setting process. Moving forward budgeted savings will be tracked and the associated RAG status will be provided and reported against. The reporting of progress against budgeted efficiencies will be reported to the Board as part of the resource monitoring report.	31/03/2022	n/a	MEDIUM	0%
Progress to Update		The budgeted efficiencies for 22/23 will have a RAG status associated with them				
Outstanding actions to close the recommendation		RAG status on efficiencies				
Rec No. 1.7	Financial Capacity The relevant committee or Board should ensure that it considers whether the process by which management have determined the structure of the finance function is sufficiently robust to enable the Service to make full and effective use of the finance function to drive improvements in the use of resources, as recommended throughout our work.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Disagree. As highlighted in the commentary of the report the structure of finance is an operational matter designed to meet the needs of the Service. The process for agreement on structural changes for Finance and Procurement is consistent with the Service's governance process on people changes with restructure requests requiring approval by the Director of People and Organisational Development and the Director of Finance and Contractual Services (now the Acting Director of Finance and Procurement). If additional budget is required the Senior Leadership Team approve any change. The restructures supported the improvement in our strategic procurement capability and in finance reallocating resources from transactional processing to the added value areas of decision support, accounting, risk and audit, and finance systems based on continuous improvement activities. The Chief Officer as the accountable officer discussed the secondment of the Director of Finance and Contractual Services with the Board and the subsequent temporary appointments of the Acting Director of Finance and Procurement and Acting Director of Asset Management.	n/a	n/a	MEDIUM	n/a
Progress to Update		No action required				
Outstanding actions to close the recommendation						

Rec No.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
1.8	Financial Capacity Given the various changes recommended to financial planning and reporting as identified in our work, management should perform a review of the required skills and competencies to embed these within the Service and ensure that the finance function has these either currently, through planned training or through acquiring external expertise.					
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. The Acting Director of Finance and Procurement is confident that the various improvements recommended by Deloitte can be delivered through existing finance resources but will seek external support should this be required. The Acting Head of Finance and Procurement will complete a training needs analysis (skills and competencies) to determine gaps in training across Finance with initial emphasis on Decision Support. The acting Head of Finance and Procurement will use a relevant finance maturity model to determine future training needs.	30/09/2022	n/a	MEDIUM	1%
Progress to Update		Work has been initiated in this area				
Outstanding actions to close the recommendation		Training needs analysis completed.				
Rec No.		Action Date Due	Agreed Revised Date	Priority	% Complete	Status
1.9	Internal Audit In assessing the findings and recommendations of internal and external audit and management's response to those, the relevant committee or Board should ensure that it is satisfied that management have both the capacity and are sufficiently focused to deliver the recommendations.					
	Responsible Owner Agreed Response Chair of ARAC	The Service's progress on completion of audit actions is reported via Azets (our internal auditors) to the Audit and Risk Assurance Committee on a quarterly basis and there has been a focus on improving the closure of audit actions of earlier years. On appointment, Azets reviewed the approach and suggested that management were too optimistic in setting completion dates and that this should include completion of governance processes, evidence gathering to close the action and take account of business as usual activities. Progress has been made and management believe sufficient focus is being maintained on audit actions with regular follow up meetings with those responsible for audit actions to make satisfactory progress. In some occasions the Service is dependent on external input to close an action and this takes additional time. The chair of ARAC supported by Azets to consider whether ARAC are of the opinion that management are making sufficient progress on audit actions based on Deloitte's recommendation.	31/03/2022	n/a	MEDIUM	10%
Progress to Update		Chair of ARAC to meet with AZETS on 18 January to discuss with further discussions to be held at ARAC meeting on 20 January 2022.				
Outstanding actions to close the recommendation		Information will be provided following outcomes of meetings arranged.				

DELIOTTE AUDIT DIMENSIONS & BEST VALUE REPORT – FINANCIAL SUSTAINABILITY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		12	0	0	0	0	5	7	0	0	0	0
Rec No.	Capital Planning & Asset Management Following completion of work with the Scottish Government in assessing the capital investment needs of the Service, the AMS should be reviewed to ensure that it aligns with this need, the Strategic Plan and the Change Programme.		Target Date	Agreed Revised Date		Priority	% Complete		Status			
2.1	Responsible Owner Agreed Response Acting Director of Asset Management	The AMS is part of a suite of strategy documents (Fleet, Property and Equipment) to be undertaken by the newly recruited Asset Governance & Performance Manager. The priority is to work on the SFRS Board request for a new Fleet Strategy. The intention is for the new AMS to be aligned to the outcomes of the SDMP, Standard Station Design and the Service Review as well as the Strategic Aims and Objectives of the Service.	31/03/2022	31/03/2023		HIGH	5%		GREEN			
Progress to Update		Work is continuing on the Fleet Strategy, including the creation of a stakeholder engagement plan and a standard document methodology, both of which will also be used for the Asset Management Strategy. In order to assist the Asset Governance & Performance Manager with the completion of this task recruitment of 2 additional staff within the Asset Governance & Performance section is underway; with 1 new start having commenced work in December 2021 and interviews for the other position taking place in January 2022.										
Outstanding actions to close the recommendation		There are a number of tasks involved in the creation of an Asset Management Strategy, critically this will include work to align the strategy with the outcomes from the Service Delivery Model Programme (SDMP) which is scheduled for completion in March 2023. Request for this action due date to be moved to March 2023 to tie in with both the SDMP programme, as well as an internal audit action for a revised Property Strategy which has been approved for completion in March 2023.										
Rec No.	Capital Planning & Asset Management Instead of reporting against a single 'backlog' figure, the Service should differentiate between required capital investment to transition from the current asset base to the required asset base, and actual maintenance/repair/replacement backlogs, to enable appropriate assessment of the risk of asset failure and the impact of delayed capital investment on service delivery.		Target Due	Agreed Revised Date		Priority	% Complete		Status			
2.2	Responsible Owner Agreed Response Acting Director of Asset Management	As part of the work for the new Asset Strategy documents for Fleet, Property and Equipment, a detailed examination of current maintenance backlog figures will be undertaken. The intention will be to differentiate the backlog figure between required capital investment to transition from the current asset base to the required asset base, as well as to highlight actual maintenance/ repair/ replacement backlogs.	31/03/2022	n/a		HIGH	50%		GREEN			
Progress to Update		A draft risk based approach to the Capital Programme has been prepared, although it is recognised that this will have to be revisited at a future date to align the strategy with the outcomes from the SDMP process.										
Outstanding actions to close the recommendation		Further fleet, property condition, as well as property suitability, data analysis work needs to be undertaken; this will combine a number of fleet and property risk assessment information with activity data from fire stations.										

Rec No.	Medium-to-Long Term Financial Planning The LTFS should be revised to demonstrate how the Service plans to allocate resources against outcomes over the length of the Strategy. Alternatively, the MTFM could be revised to serve this purpose.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
2.3	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. As indicated at 1.3 the Service will review the LTFS and will include how the service applies budget resources to outcomes.	31/03/2023	n/a	HIGH	0%	GREEN
Progress to Update		Once the budget to outcomes has been concluded will revise in relation to LTFS					
Outstanding actions to close the recommendation		Agreement on method/approach to allocation of resources to outcomes and then updating LTFS					
Rec No.	Medium-to-Long Term Financial Planning Going forward, key documents which are expected to have longer-term financial implications – such as the Workforce and Strategic Resourcing Plan, Capital Programme and Resource Budget – should include clear, quantitative links to the LTFS, setting out how the decisions taken in the short-term impact the position in the long-term.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
2.4	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed. As indicated in 1.2 the Service will ensure documents that have an impact on the LTFS will be linked to it.	31/03/2023	n/a	HIGH	0%	GREEN
Progress to Update		The draft budget strategy for 22/23 has reference to the LTFS and includes comparison of expected funding requirements from the LTFS compared to funding received and describes current position in relation to LTFS.					
Outstanding actions to close the recommendation		Budget for 22/23 will include reference to LTFS. Strategic Resource Plan and Recovery Plan, Capital Programme					
Rec No.	Workforce Planning Subject to ongoing work on the vision for the future, the Workforce and Strategic Resourcing Plan needs to be reviewed to clearly set out how it is aligned to the Strategic Plan, LTFS, and other key strategic documents – including any successor to the Transformation Programme.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status	
2.5	Responsible Owner Agreed Response Director of People and Organisational Development	Agreed. The Service will ensure that this is achieved via the Strategic Workforce & Resourcing Plan (WFP) which is already commissioned by the POD Workforce Planning and Resourcing Team with an expected publish date of Q4 2021/22. This document is developed in line with the aims of the SFRS Strategic Plan, the Future Vision, AOP, and any other relevant future plans via focus groups which assess the key data and ensure it is integrated into the WFP The plan is organic in nature and is adjusted in accordance with any change factors identified via the aforementioned Forums and will align in the same way with any future strategic plans. These are scrutinised and approved via through a chain of governance from POD DMT through to the SFRS Board and any challenges, risks and mitigations are identified in the relevant Risk Registers.	31/12/2022	n/a	HIGH	20%	GREEN
Progress to Update		We have commissioned a document to state our approach to Strategic Workforce Planning, however we continue to focus on Strategic Workforce Planning to support both operational crewing and recovery from the impacts of the pandemic. This is reported through the People Board, People Committee, and Service Delivery Forums of Continuous Improvement Forum and Operational Availability Group.					

Outstanding actions to close the recommendation		Finalise our documented approach to Strategic Workforce Planning and progress this through the SFRS governance route.				
Rec No. 2.6	Budget Setting The budget report to the Board should set out the process through which the budget was developed, the extent to which there has been consultation and how this consultation was reflected in the budget, so as to enable the Board to satisfy themselves as to the robustness of that process in approving the budget.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	Agreed, the budget setting process for 22/23 will include the consultation completed with budget holders, SLT and the Board.	31/03/2022	n/a	MEDIUM	10%
Progress to Update		The budget setting process is currently underway and will include engagement/consultation with budget holders on budget set.				
Outstanding actions to close the recommendation		Capturing engagement and consultation with budget holders as part of budget setting for 22/23.				
Rec No. 2.7	Budget Setting Given the recommendations made through our work, the Service should holistically review its budget setting process and reporting style to ensure that the process and reporting are designed to reflect best practice and address these recommendations, rather than making further ad-hoc changes	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Finance & Procurement	The Service will review the budget setting process taking account of good practice. Where appropriate changes will be made to the financial reporting during this financial year based on both Deloitte's recommendations and the needs of the Board. Any improvements identified in the budget setting process will be included as part of the budget setting for 22/23.	31/03/2022	n/a	MEDIUM	50%
Progress to Update		Changes were made to the financial reporting this year to include a summary report and more focus on financial risks. In addition, board members sought additional detail on budget virements and this is now included as part of the financial reporting for resource and capital. The changes were well received by the Board. The budget setting process is currently underway				
Outstanding actions to close the recommendation		Review of best practice for budget setting is underway.				
Rec No. 2.8	Capital Planning & Asset Management The Service should ensure that the Capital Programme is linked to the LTFS, AMS and Resource Budget, setting out how the Capital Programme progresses these and the anticipated consequences of the capital investment decisions on the resource budget over the period.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Asset Management	Agreed. The Service recognises that capital funding received is less than required to fully address the asset backlog from legacy services. SFRS has worked with Scottish Government to secure additional funding where possible and has agreed to share premises at 51 stations with other public sector organisations including police and ambulance service. SFRS has applied for funding to support decarbonisation of its activities and this includes fleet and property which will partially support addressing our asset backlog. SFRS will continue to work with Scottish Government to seek additional funding where this is available. Within this context, the Service will update the LTFS, based on the revised AMS and highlight the impacts on the resource budget.	31/03/2022	n/a	MEDIUM	50%

Progress to Update		The Asset Management and Finance Departments are developing a new report, which will be presented on an annual basis. The report will show how the Capital Programme is linked to the LTFS and the AMS. This report will further detail how delivery of the Capital Programme progresses the LTFS and the AMS, whilst also showing the consequences of the capital investment decisions on the resource budget over the year.				
Outstanding actions to close the recommendation		Staff from the Asset Management and Finance Departments will continue to meet to develop the format of the new report.				
Rec No. 2.9	Capital Planning & Asset Management Monitoring of performance against the Capital Programme should include summary information on the number of projects expected to be (or which have been) delivered in line with the original timescales and original budgets.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Acting Director of Asset Management	31/03/2022	n/a	MEDIUM	50%	GREEN
Progress to Update		The Asset Management and Finance Departments have agreed to develop a new Capital monitoring report which will highlight variations from the original project cost and timescales. This report will be presented on a monthly basis at Capital Monitoring meetings. A draft report is in preparation, this will be completed before the end of the financial year following further meetings between the Asset Management and Finance teams.				
Outstanding actions to close the recommendation		The new Capital monitoring report will go live from the start of the new financial year.				
Rec No. 2.10	Workforce Planning The Training Strategy should be clearly linked to the Strategic Plan and the Workforce and Strategic Resourcing Plan, including measurable actions and targets	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Training, Safety and Assurance	31/03/2022	n/a	MEDIUM	90%	GREEN
Progress to Update		The Training Function have carried out a review of the delivery of the Wholetime Firefighter Foundation Programme to ensure that it meets the needs of the Strategic Plan, the Workforce and Strategic Resourcing Plan and the Recovery Plan. This resulted in a completely new model being put in place to maximise the number of Trainee Firefighters that can be onboarded given the current COVID restrictions. This new model is innovative and allows the course to run 7 days per week with 2 cadres of Trainee Firefighters effectively being trained in tandem but separately. A full review of the effectiveness and efficiency of this approach will be carried out at the earliest opportunity to identify good practice and any opportunities for improvement. This approach has been facilitated by the implementation of revised Terms and Conditions for our Instructors in mid-late 2021 following a review of the legacy terms and conditions that were in place across the SFRS.				
Outstanding actions to close the recommendation		The Training Strategy will be reviewed in the coming months to ensure it continues to link to the SFRS Strategic Plan and that the actions that come from it are appropriate and add value.				

Rec No.	Workforce Planning Progress on implementing the Workforce and Strategic Resourcing Plan should be considered on a periodic basis the relevant committee or the Board, to ensure that there are effective targets in place and to assess performance against them.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
2.11	Responsible Owner Agreed Response Director of People and Organisational Development	31/03/2022	n/a	MEDIUM	25%	GREEN
Progress to Update		Our resourcing requirements are balanced against our target operating models. This is reported through the People Board, People Committee, and Service Delivery Forums of Continuous Improvement Forum and Operational Availability Group.				
Outstanding actions to close the recommendation		Finalise our documented approach to Strategic Workforce Planning and progress this through the SFRS governance route.				
Rec No.	Workforce Planning The Workforce and Strategic Resourcing Plan should be reviewed to clearly set out the Target Operating Model for the entire workforce, and what actions it plans to take to transition from the current workforce to the workforce required in the future	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
2.12	Responsible Owner Agreed Response Director of People and Organisational Development	31/03/2023	n/a	MEDIUM	25%	GREEN
Progress to Update		We have developed a five-year resourcing plan based on predicted retirements and leavers and impacts of COVID-19, this is driving our recruitment and promotional activity.				
Outstanding actions to close the recommendation		Finalise our documented approach to Strategic Workforce Planning and progress this through the SFRS governance route.				

DELIOTTE AUDIT DIMENSIONS & BEST VALUE REPORT – GOVERNANCE & TRANSPARENCY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		2	0	0	0	0	2	0	0	0	0	0
Rec No. 3.1	Governance & Scrutiny Arrangements The Board should consider where external findings have been made on key governance documents – such as the Anti-Fraud Policy. Risk Registers, compliance with Standing Orders, review of effectiveness of Code of Corporate Governance – why the Board’s internal processes were insufficient to prevent, or detect and correct, the identified issues. The Board should update its processes to ensure that they are effectively designed and implemented to reduce the reliance on external bodies to identify areas for improvement.	Target Date	Agreed Revised Date	Priority	% Complete	Status						
	Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications	31/03/2022	n/a	HIGH	75%	GREEN						
Progress to Update		The Decision-Making at a Board level continues to be captured on a dedicated SFRS Board Decision Log. This has developed during 2021/22 and now includes a 12 month review of effectiveness’s and impact following the original decision, which are presented public for complete transparency. The Anti-Fraud and Corruption Policy was agreed by the SFRS Board at its meeting of 28 October 2021 and is now live. The Risk Management Policy was agreed by the SFRS Board at its meeting of 28 October 2021 and is now live										
Outstanding actions to close the recommendation		The Good Governance Board is now well established and the revised SFRS Good Governance Framework will go through this governance route through to the Board in April '22.										
Rec No.	Openness & Transparency The Service should reconsider its approach to allowing public access to Board meetings, to ensure that Board members are being as accountable and transparent as reasonably practicable, as required under the Fire (Scotland) Act 2005.	Target Due	Agreed Revised Date	Priority	% Complete	Status						

3.2	Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications	Agreed. Throughout 2020 the Board reviewed its ability to continue to ensure its commitment to full public access to its meetings, papers and decisions. Following Scottish Government guidance in person attendance at meetings was suspended and meetings moved online. ICT system issues prevented public access to online meetings until the introduction of Microsoft Teams in early 2021. Since August 2021 stakeholders are able to view the proceedings live by joining via Microsoft Teams. Prior to August 2021 recordings of Board meetings have been posted online to ensure members of the public who cannot view the meeting live can view Board meetings. The Board will return to full in person meetings, including by members of the public, when Government guidance deems that appropriate.	31/08/2021	n/a	HIGH	100%	BLUE
Progress to Update		All public Board and Committee meetings continue to be accessible 'live' through request to all stakeholders from our SFRS website (click link). We also have the recordings of both Board and Committee meetings which sit alongside the papers and previous minutes for each public meeting. These are uploaded to our website at the earliest possible opportunity and can therefore be accessed by all stakeholders retrospectively. Looking forward into 2022/23 a Board/Committee Forward Plan was submitted to the Board for decision on 28 th October '21. In our recovery from COVID-19, and to ensure our commitment to supporting the rebuilding of our society and economy in a greener, fairer and more sustainable way. The proposal for the 2022-23 schedule will aspire to equally balancing the number of in person and virtual meetings and that by adopting this hybrid approach we are also providing our stakeholders with different options to attend our public meetings over this period.					
Outstanding actions to close the recommendation							

DELIOTTE AUDIT DIMENSIONS & BEST VALUE REPORT – VALUE FOR MONEY		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
		5	0	0	0	0	4	1	0	0	0	0
Rec No.	Performance Management Framework The Service should report on the process it has undertaken to attempt benchmarking of performance internally, in order to ensure that local areas learn from good practice elsewhere in the Service. This report should identify those areas where effective benchmarking can be carried out and how this will be done going forward, as well as reporting on those areas where effective benchmarking cannot be carried out and why this is the case.		Target Date	Agreed Revised Date	Priority	% Complete	Status					
4.1	Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications	Agreed. As part of the annual review of the Performance Management Framework (PMF) an annual performance report detailing trends in performance including relevant benchmarking data from Services elsewhere in the UK will be produced for the Board. The Business Intelligence and Data Services Team continues to support the Service Delivery Directorate on internal benchmarking and sharing of improvement practices across the Service. The development of performance monitoring across the service will be reported to Good Governance Board. This will include reporting on benchmarking of internal performance.	31/03/2022	30/11/2022	HIGH	10%	GREEN					
Progress to Update		Benchmarking information will be included within performance management reporting increasingly during 2022/23 and will form part of the 21/22 PMF Annual Report due for publication in November 22. It will not be part of the 20/21 report recently created.										
Outstanding actions to close the recommendation		This action will not be formally closed until we have created the PMF Annual Report in November 2022. Suggest Revised Date of Nov 2022.										

Rec No.	Performance Data	Target Due	Agreed Revised Date	Priority	% Complete	Status
4.2	Performance reports should include targets and trend data to enable a meaningful assessment of performance.					
	<p>Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications</p> <p>Agreed. As part of the annual review of the Performance Management Framework all performance reports are reviewed. Existing reporting against targets and trend data, for example Health and Safety Reporting, Quarterly Performance, will continue. The PMF includes targets and key performance indicators. Progress against these will continue to be reported to the SFRS Board. This will include trend data. Targets contained within directorate or service areas and trends will also be reported on.</p>	31/03/2022	31/03/2023	HIGH	75%	GREEN
Progress to Update		Target and trend data is evident in reports currently produced across the service. In addition, a paper on KPI Methodology and Target Setting Recommendations was submitted through Good Governance in August 2021. This identified current issues in the Services approach to target setting. Despite a significant relaxation in restrictions affecting SFRS operational activity, residual effects of the Covid-19 global pandemic will continue for some time. With no previous experience of regaining normality following a global pandemic, accurate recognition of the full societal, environmental, and economic impact is not possible until some stability is retained across all factors. As such, target setting that is both reasonable and achievable for the 2021/22 period is complex and will be considered into 2021/22 in line with the design of the PMF that will support the new Strategic Plan.				
Outstanding actions to close the recommendation		Full corporate performance in all directorate areas following same rules and format unlikely to be in place until 2023. Suggest revised date of March 2023.				
Rec No.	Performance Management Framework	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
4.3	Consideration should be given to the development of a systematic programme of operational self-assessment to demonstrate the Service's commitment to continuous improvement.					
	<p>Responsible Owner Agreed Response Director of Service Development</p> <p>Agreed. SFRS does not have at this time a specific forward-looking plan for service improvement. The service improvement team work proactively with Directorates to support Service Improvement across the Service to ensure appropriate methodologies are being used and good practice applied. A Service Improvement Framework to ensure the systematic approach to continuous improvement will be developed to demonstrate the commitment to continuous improvement across the service.</p> <p>That is to say, we do not have a defined framework in place today that has a specific and structured approach to Self-Assessment required to assess SFRS wide performance and for the identification of service wide improvements. The Deloitte finding is specific to operational self-assessment. SFRS do align to and train our internal employees on the use of the Public Service Improvement Framework (PSIF) designed by NHS National Education for Scotland (NES) for continuous improvement and are currently going through a 2nd cohort of training delivered by NHS. However, the Embedding of those skills, practices and frameworks that allow for self-assessment and continued improvement across SFRS that is seen as sustainable would be our next maturity step. In addition, the forward looking objective has to be how we integrate self-assessment into our existing planning and review frameworks, along with how we introduce a process of identification and prioritisation of improvement to ensure we align organisation resources appropriately. Lastly, we need to consider how we might bring transparency and visibility to the results of these assessments and share widely within the organisation and highlight agreed actions resulting from it.</p> <p>The target date set across for this recommendation is for the development of the relevant framework, with adopting and embedding across the Service expected to occur beyond this date.</p>	31/03/2022	n/a	HIGH	80%	GREEN

Progress to Update		Consideration of developing a systematic programme for Continuous Improvement (CI) is in place by recently establishing an academic partnership with Glasgow Caledonian University. SFRS continue to demonstrate its commitment to CI where we have recently concluded in December '21 a further cohort of Public Service Improvement Framework (PSIF) training as designed by NHS National Education for Scotland (NES). A report is currently being drafted of recent survey findings, which will include conclusions and recommendations that should inform the strategic intent moving forward for CI & Quality Mgmt. Have established Partnership working and Peer Connections from Fire Services across the UK to understand their approach to CI & Quality Mgmt. and the associated challenges				
Outstanding actions to close the recommendation		Establishing a plan for the design, development and implementation of Continuous Improvement and Self-Assessment Reporting Frameworks. And Method with Integrated Self-Assessment Process				
Rec No. 4.4	Performance Data Consideration should be given to how to improve performance reporting – either the quarterly progress reports or a consolidated report – to consolidate performance indicators associated with each outcome and set out how that performance and those indicators demonstrate an impact on the outcome being sought. This should also include reference to external information that demonstrates an impact on the outcome.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of Strategic planning, Performance & Communications	Agreed. As part of the implementation of the Business Intelligence Strategy regular progress reports are presented to the Good Governance Board which considers how the Service seeks to improve performance reporting. The SFRS Board will receive a consolidated performance report against the PMF, including trend information, which will be published formally in 2022/23. Further work will be undertaken to review reporting against outcomes.	31/03/2022	n/a	HIGH	75%
Progress to Update		SFRS Board received a draft of the PMF Review in December 2021. Initial comments were positive with members expressing the desire for more clarity on who the review was aimed at. There was acceptance that each KPI required a narrative to provide context on the 4 quarter performance. This PMF Review will cover fiscal year 2020-21 and will be delivered in January 2022. Work will continue on performance reporting across the service throughout 2022.				
Outstanding actions to close the recommendation		Final approval for PMF Annual Report expected within the existing time frame.				
Rec No. 4.5	Equalities Annual reporting on equality outcomes should provide reporting against targets (where they exist) and summarised trend data to demonstrate where inequalities are being reduced and where further work is required.	Action Date Due	Agreed Revised Date	Priority	% Complete	Status
	Responsible Owner Agreed Response Director of People and Organisational Development	Agreed. This will be collated throughout the year and summarised for the Annual Report.	31/12/2022	n/a	MEDIUM	50%
Progress to Update		The SFRS Mainstreaming and Equality Outcomes Report was published in July 2021. The SFRS will report on the progress of our Equality Outcomes on a yearly basis.				
Outstanding actions to close the recommendation		The 2022 census has an amended list of equality characteristics. Discussions are ongoing across SFRS to consider how we might align to this new listing for the purposes of monitoring employment practice and service provision data.				

DELIOTTE AUDIT DIMENSIONS & BEST VALUE REPORT – FOLLOW-UP PREVIOUS YEARS ACTIONS		Total No of Actions	% Complete Actions	Fully Implemented			Part/In Progress			Not Implemented		
				H	M	L	H	M	L	H	M	L
				1	0	0	0	0	0	1	0	0
Rec No.	Financial Sustainability	Target Date	Agreed Revised Date	Priority	% Complete	Status						
1	<p>The Service should continue to ensure that they review, and where appropriate revise their financial strategy during 2020/21 to reflect on the impact of COVID-19, it is important that the Service also build into the scenarios the impact of demand pressures on costs to the Service along with the estimated changes in funding to get a fuller picture of the likely challenges that it faces.</p> <p>Responsible Owner Agreed Response Director of Finance & Contractual Services</p>	31/03/2021	31/03/2023	MEDIUM	10%	GREEN	<p>Work has been carried out on an ongoing basis since before the start of the Covid-19 lockdown in the UK. This has resulted in the preparation of a Route map to delivering Reset and Renew to allow the SFRS to navigate through the impact of Covid-19. This covers 8 key themes: People, Workplace, Operational Strategy, Governance and Compliance, Technology, Leadership, Partnership Working and Communications and Engagement. Finance is a factor in all of these themes and the impact of Covid-19 has been reflected in budget monitoring reports to the Board and will be considered when preparing the budget for 2021/22.</p>					
Progress to Update		<p>The budget setting process considered the impact of COVID-19 based on the Service's experience to date and anticipated costs and savings were reflected in the budget for 2021/22. The impacts of COVID-19 in terms of recovery activities were considered in March and Directorates presented initial business cases to SLT in April 2021 for approval. The business case process was led by the Deputy Chief Officer and SLT subsequently approved a revised set of business cases guided by the Medium-Term Financial Model. The revised business cases were then included in the budget for 2021/22. A summary of business case process was presented to the Board in July 2021 as part of a Board information day. A business case tactical action group including Heads of Function reviews progress and this is linked to the Reset and Renew route map. The Reset and Renew Programme continues to be developed as the Service starts to recover from COVID-19 but this is anticipated to take a number of years to complete.</p>										
Outstanding actions to close the recommendation		<p>The impacts of COVID 19 and the subsequent recovery elements to be included in the 22/23 budget. The renew elements to be included in subsequent budgets.</p>										

Dashboard

STATUS KEY				
GREEN	AMBER	RED	WHITE	BLUE
On Target	Sight Delay	Major Delay	Not Started	Complete

FINANCIAL MANAGEMENT

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1.1	Acting Director of Finance & Procurement	HIGH	31/03/2022	-	23.12.2021	-	✓	-	-	10%	GREEN
1.2	Acting Director of Finance & Procurement	HIGH	31/03/2022	-	23.12.2021	-	✓	-	-	50%	GREEN
1.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	-	23.12.2021	-	✓	-	-	10%	GREEN
1.4	Acting Director of Finance & Procurement	MEDIUM	31/03/2023	-	23.12.2021	-	✓	-	-	10%	GREEN
1.5	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	-	23.12.2021	-	✓	-	-	20%	GREEN
1.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	-	23.12.2021	-	✓	-	-	0%	GREEN
1.7	Acting Director of Finance & Procurement	MEDIUM	n/a	n/a	n/a	n/a	n/a	n/a	✓	n/a	BLUE
1.8	Acting Director of Finance & Procurement	MEDIUM	30/09/2022	-	23.12.2021	-	✓	-	-	1%	GREEN
1.9	Chair of ARAC	MEDIUM	31/03/2022	-	10.01.2021	-	✓	-	-	10%	GREEN

FINANCIAL SUSTAINABILITY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
2.1	Acting Director of Asset Management	HIGH	31/03/2022	31/03/2023	10.01.2021	-	✓	-	-	5%	GREEN
2.2	Acting Director of Asset Management	HIGH	31/03/2022	-	20.01.2021	-	✓	-	-	50%	GREEN
2.3	Acting Director of Finance & Procurement	HIGH	31/03/2023	-	23.12.2021	-	✓	-	-	0%	GREEN
2.4	Acting Director of Finance & Procurement	HIGH	31/03/2023	-	23.12.2021	-	✓	-	-	0%	GREEN
2.5	Director of People & Organisational Development	HIGH	31/12/2022	-	06.01.2022	-	✓	-	-	20%	GREEN
2.6	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	-	23.12.2021	-	✓	-	-	10%	GREEN
2.7	Acting Director of Finance & Procurement	MEDIUM	31/03/2022	-	23.12.2021	-	✓	-	-	50%	GREEN
2.8	Acting Director of Asset Management	MEDIUM	31/03/2022	-	10.01.2021	-	✓	-	-	50%	GREEN
2.9	Acting Director of Asset Management	MEDIUM	31/03/2022	-	10.01.2021	-	✓	-	-	50%	GREEN
2.10	Director of Training, Safety & Assurance	MEDIUM	31/03/2022	-	06.01.2022	-	✓	-	-	90%	GREEN
2.11	Director of People & Organisational Development	MEDIUM	31/03/2022	-	06.01.2022	-	✓	-	-	25%	GREEN
2.12	Director of People & Organisational Development	MEDIUM	31/03/2022	-	06.01.2022	-	✓	-	-	25%	GREEN

GOVERNANCE & TRANSPARENCY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
3.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	-	05.01.2022	-	✓	-	-	75%	GREEN
3.2	Director of Strategic Planning, Performance & Communications	HIGH	31/08/2021	n/a	05.01.2022	n/a	n/a	✓	n/a	100%	BLUE

VALUE FOR MONEY

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
4.1	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	30/11/2022	05.01.2022	-	-	-	-	10%	GREEN
4.2	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	31/03/2023	05.01.2022	-	✓	-	-	75%	GREEN
4.3	Director of Service Development	HIGH	31/03/2022	-	06.01.2022	-	✓	-	-	80%	GREEN
4.4	Director of Strategic Planning, Performance & Communications	HIGH	31/03/2022	-	05.01.2022	-	✓	-	-	75%	GREEN
4.5	Director of People & Organisational Development	MEDIUM	31/12/2022	-	06.01.2022	-	✓	-	-	50%	GREEN

FOLLOW PREVIOUS YEARS ACTIONS

Action No.	Action Owner	Action Priority	Action Due	Revised Date	Last updated	Not Started	In Progress	Complete	Not Implemented	% Complete	RAG STATUS
1	Director of Finance & Contractual Services	MEDIUM	31/03/2021	31/03/2023	23.12.2021	-	✓	-	-	10%	GREEN

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

Report No: C/ARAC/05-22

Agenda Item: 10.1

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	STRATEGIC RISK REPORT – QUARTER 3						
Report Classification:	For Scrutiny	<p style="text-align: center;">Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u></p>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the updated Strategic Risk report for scrutiny.						
2	Background						
2.1	The purpose of the risk register is to inform decision making through Scrutiny and Assurance processes, providing additional awareness of the risks we face and the actions required to minimise these risks.						
2.2	The Audit & Risk Assurance Committee (ARAC) is responsible for advising the Board and the Accountable Officer on the adequacy and effectiveness of the Service's arrangements for risk management and has oversight of the Strategic Risk Register.						
2.3	The Strategic Leadership Team (SLT) has responsibility for the identification and management of strategic risk and will ensure that the Strategic Risk Register (SRR) presents a fair and reasonable reflection of the most significant risks impacting upon the organisation. The SLT will champion the importance of risk management in supporting the achievement of the Service's strategic aims and objectives.						
2.4	Strategic risks are prepared in consultation with the Board and SLT and are managed collectively by the SLT, with each Directorate Risk allocated to an identified Head of Function. These Responsible Owners provide information on the current controls in place and identify additional actions still required.						
3	Main Report/Detail						
3.1	The risk register is a management tool that provides assurance to the Service and its scrutiny bodies that the significant risks to the organisation have been identified and managed and are subject to ongoing monitoring, review and discussion.						
3.2	The development of a revised risk template and associated report has focused on providing specific, measurable, achievable, realistic and timely actions, this development work will be continued to ensure the reporting of risk meets the requirements of the Service.						

3.3	<p>The Appendix to this report has been amended to enhance transparency and incorporates the following information:</p> <ul style="list-style-type: none"> • Strategic Risk Summary – Appendix 1a • Aligned Directorate Risk Summary – Appendix 1b • Directorate Risk Control summary – Appendix 1c • Directorate Closed Control Summary – Appendix 1d • Directorate Closed Risk Summary – Appendix 1e (No Change) • Directorate Risk Rating Change Summary – Appendix 1f • New Directorate Risks – Appendix 1g (No Change) • New Directorate Control Summary – Appendix 1h
3.4	<p>In relation to the Services 9 Strategic Risks these are reviewed quarterly by the SLT and have been agreed as reflecting the most significant areas of risk impacting upon the organisation. The assessment of each strategic risk reflects the view of the SLT and their consideration of aligned Directorate risks.</p>
3.4.1	<p>Following review two strategic risks have been reassessed:</p> <p>Strategic Risk 7 – Ability to deliver a high quality, sustainable Service within the funding envelope. Currently assessed at 12 with two Directorate risks now sitting outwith this overall assessment:</p> <ul style="list-style-type: none"> • FCS005 – Secure additional funding levels (<u>risk rating 16</u>) • SDD005 – ESMCP funding (<u>risk rating 15</u>) <p>Following review SLT have revised the risk rating from 12 to 16 to reflect the increased challenges facing the organisation.</p> <p>Strategic Risk 8 – Ability to anticipate and adapt to a changing environment through innovation and improved performance. Currently assessed at 12 with three Directorate risks now sitting outwith this overall assessment:</p> <ul style="list-style-type: none"> • SDD01 – delivery of stated ambitions and requirement (<u>risk rating 16</u>) • TSA008 – insufficient facilities available to deliver training due to enactment of Section 19 of Road Safety Act (<u>risk rating 16</u>) • SPPC002 – not learning lessons from experience, notable practice, innovation, investigations and case law (<u>risk rating 15</u>) <p>Following review SLT have revised the risk rating from 12 to 16 to reflect the increased challenges facing the organisation.</p>
3.5	<p>In relation to Directorate risks aligned to ARAC the following areas are highlighted for information:</p>
3.5.1	<p><u>Closed Controls</u></p> <ul style="list-style-type: none"> • FCS011 – Provision of a LCMS package to maintain awareness and ownership of Fraud risk across the organisation. The revised Anti-Fraud and Corruption Policy is now in place and a Fraud LCMS package developed to raise awareness and ownership across the Service. Following discussions, a number of pilot areas are being identified to roll out the LCMS package. Feedback received will be used to revise the package as necessary with ongoing work managed as business as usual. • SDD007 – Development and implementation of cyber security awareness campaign. Cyber Security Awareness Campaign launched November 2021 with progress monitoring reports to be provided to the Digital Board.

<p>3.5.2</p> <p>3.5.3</p> <p>3.6</p> <p>3.6.1</p> <p>3.6.2</p> <p>3.6.3</p>	<ul style="list-style-type: none"> • SPPC012 – Re-establish Organisational Security Group. Group re-established with meetings to be planned throughout 2021/22 and going forward into 2022/23. • SPPC013 – Establish Partnership Oversight and Governance start and finish Group. Group established with meetings planned throughout 2021/22. <p><u>Risk Rating Changes:</u></p> <ul style="list-style-type: none"> • FCS005 – There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. The probability rating has increased from 3 to 4 representing current uncertainty over future government funding arrangements. <p><u>New Directorate Controls</u></p> <ul style="list-style-type: none"> • FCS010 – There is a risk where financial performance reporting is not aligned with Service Delivery requirements. A new control in relation to the development of enhanced business case / case for change processes aligned to Strategic/Service objectives has been added. <p>Portfolio Office Risk Reporting</p> <p>Development work undertaken during 2021 has resulted in an enhanced risk register reporting tool with new reports now provided to Committee's and Executive Boards. The functionality of the register continues to be developed with automated reporting capability and a Sharepoint style portal allowing direct access by Directorates being progressed.</p> <p>Discussions have been held with the Head of Portfolio Office to ensure consistency in terms of reporting risk. A new register is being created for the Portfolio Office to allow high level risk reporting to be undertaken similar to that used for Directorates. This work will be aligned to the wider review of the Portfolio Office with progress reports provided to SMB.</p> <p>A new reporting level will be created to allow Functional/Project registers to be created. This will allow consistency throughout risk reports and enable escalation/de-escalation of risks.</p>
4	Recommendation
4.1	The Audit & Risk Assurance Committee is asked to scrutinise the revised SFRS Risk Register.
5	Key Strategic Implications
5.1 5.1.1	<p>Risk</p> <p>The risk register forms a core part of the SFRS governance, risk management and assurance arrangements and is there to inform decision making and scrutiny arrangements.</p>
5.2 5.2.1	<p>Financial</p> <p>There are no direct financial implications associated with this report.</p>
5.3 5.3.1	<p>Environmental & Sustainability</p> <p>There are no direct environmental or sustainability issues.</p>
5.4 5.4.1	<p>Workforce</p> <p>There are no direct Workforce issues associated with this report.</p>
5.5 5.5.1	<p>Health & Safety</p> <p>There are no direct Health & Safety implications associated with this report.</p>

5.6	Training	
5.6.1	The development of a revised in-house risk register and report requires additional engagement and training of responsible staff.	
5.7	Timing	
5.7.1	There are no significant timing implications associated with this report.	
5.8	Performance	
5.8.1	The risk management framework forms part of the Services wider governance arrangements which collectively ensure performance is managed and improved where possible.	
5.9	Communications & Engagement	
5.9.1	Direct communication and engagement with the Board, SLT and Directorates ensures awareness and ownership of risk is effectively managed.	
5.10	Legal	
5.10.1	There are no direct legal implications arising from this report	
5.11	Information Governance	
5.11.1	There are no direct information governance implications associated with this report.	
5.12	Equalities	
5.12.1	An Equality Impact Assessment has been undertaken in relation to the Risk Management Policy. There are no additional equality implications associated with this report.	
5.13	Service Delivery	
5.13.1	There is no direct implication to Service Delivery arising from this report.	
6	Core Brief	
6.1	Not applicable	
7	Appendices/Further Reading	
7.1	Appendix 1 – Audit and Risk Assurance Committee Risk Report – January 2022	
Prepared by:	David Johnston, Risk and Audit Manager	
Sponsored by:	John Thomson, Acting Director of Finance and Procurement	
Presented by:	John Thomson, Acting Director of Finance and Procurement	
Links to Strategy and Corporate Values		
<p>The Risk Management Framework forms part of the Services Governance arrangements and links back to Outcome 4 of the 2019-22 Strategic Plan, specifically Objective 4.2</p> <ul style="list-style-type: none"> • Outcome 4: We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland. • Objectives 4.2: We will minimise the risks we face through effective business management and high levels of compliance with all our responsibilities. 		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For Scrutiny</i>

APPENDIX 1



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Audit & Risk Assurance Committee Risk Report

January 2022 – Quarter 3 Update

Contents:

- Strategic Risk Summary – Appendix 1a
- Aligned Directorate Risk Summary – Appendix 1b
- Directorate Risk Control summary – Appendix 1c
- Directorate Closed Control Summary – Appendix 1d
- Directorate Closed Risk Summary – Appendix 1e (Nil Return)
- Directorate Risk Rating Change Summary – Appendix 1f
- New Directorate Risks – Appendix 1g (Nil Return)
- New Directorate Control Summary – Appendix 1h

Strategic Risk Summary

Appendix 1a

Strategic Risk	Description	SLT Risk Owner	Risk Rating
1	Ability to improve the safety and well-being of people throughout Scotland through the delivery of our services	Director of Service Delivery	16
2	Ability to reduce the number of unwanted fire alarm signals and associated occupational road risk	Director of Service Delivery	15
3	Ability to collaborate effectively with partners and communities, to enhance service delivery and best value	Deputy Chief Officer	12
4	Ability to ensure legal and regulatory compliance	Director of Strategic Planning, Performance and Communications	12
5	Ability to have in place a suitably skilled, trained and motivated workforce that is well supported both physically and mentally	Director of People & Organisational Development & Director of Training, Safety and Assurance	16
6	Ability to have in operational use the necessary assets, equipment, supplies and services to enable the smooth running of the organisation, that exploit available technologies and deliver public value	Acting Director of Asset Management	20
7	Ability to deliver a high quality, sustainable service within the funding envelope	Acting Director of Finance and Procurement	12
8	Ability to anticipate and adapt to a changing environment through innovation and improved performance	Director of Service Development	12
9	While Covid-19 remains a threat to health, the ability of SFRS to protect staff, partners and the public while meeting service delivery demands	Deputy Chief Officer	16

Aligned Directorate Risk Summary

Appendix 1b

Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
1	Improve Safety and Wellbeing of Communities	SD010	Compliance Fire Act (Scotland) Part 3	There is a risk the SFRS is unable to effectively enforce fire safety legislation in compliance with part 3 of the Fire (Scotland) Act 2005 in relevant premises. This could be because of the lack of sufficient, suitably trained SFRS fire safety enforcement staff locally and nationally.	Head of Prevention and Protection	20 (4 x 5)	SDC	SMB
1	Improve Safety and Wellbeing of Communities	SD012	Community Safety and Resilience	There is a risk that the SFRS cannot successfully engage with partners, communities and other stakeholders leading to the SFRS being unable to focus on the impact of unintentional harm within our communities. This would be due to inadequate internal resources, capacity and competency leading to a breakdown in partnership relationships. This would diminish SFRS's ability to effectively work with partners to provide targeted interventions, ensuring those most at risk across Scotland's communities receive fire and wider home safety advice. This could result in negative outcomes for communities, additional levels of scrutiny and reputational damage.	Head of Prevention and Protection	16 (4 x 4)	ARAC	SMB
1	Improve Safety and Wellbeing of Communities	SD004	Standardisation of Service Delivery	There is a risk of failing to maintain a standard suite of Policies because of the volume of Policies and the consultation timeframe. This would result in having an inconsistent approach to service response and could lead to possible operational failures resulting in a death of serious injury to staff or members of our local communities.	Head of Operations	12 (3 x 4)	SDC	SMB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
1	Improve Safety and Wellbeing of Communities	SD011	Reserved Matters	There is a risk of a failure to appropriately service 'Reserved' matters that are not devolved to Scottish Government. In particular, delay in delivering a SFRS MTA Strategy could increase the risk to all operational personnel and our communities, which could lead to negative public scrutiny, judicial review and/or damage to reputation. There is a particular focus on the risk of MTA incidents at present, given recent local and international developments.	Head of Service Delivery	12 (3 x 4)	SDC	SMB
1	Improve Safety and Wellbeing of Communities	SDD002	Evidence Based Decision Making	There is a risk that the Directorate is unable to ensure access to high quality usable data to inform organisational decision making relative to Service Development due to data protection, cost, resources or capability. This could result in failure to achieve objectives in terms of continuous improvement, best value positive change.	Head of Service Development	12 (3 x 4)	CC	SMB
2	Reduction of UFAS	SD007	Reduction of Unwanted Fire Alarms	There is a risk that the SFRS is unable through partnership working and policy development to reduce the volume of unwanted fire alarm signals. This would be due to agreed processes and initiatives not being executed or introduced nationally/locally. The result would be an increased or excessive operational demand on the SFRS, an increase of blue light journeys and consequential risk.	Head of Prevention and Protection	15 (5 x 3)	SDC	SMB
3	Collaborate with Partners	SPPC006	Consultation and Engagement	There is a risk that the services consultation and engagement processes do not adequately capture stakeholder feedback because of a lack of consistency across the organisation resulting in a loss of workforce, stakeholder and public confidence.	Head of Communication and Engagement	12 (3 x 4)	ARAC	GGB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
3	Collaborate with Partners	SPPC007	Protect SFRS Reputation	There is a risk that the services reputation is adversely affected due to ineffective management of communications resulting in a loss of workforce, stakeholder and public confidence.	Head of Communication and Engagement	12 (3 x 4)	ARAC	GGB
3	Collaborate with Partners	SPPC013	Partnership Working	There is a risk that the Service fails to meet its duties to participate in Community Planning and demonstrate strong collaboration and partnership working due to a lack of coordination and information resulting in missed opportunities and in a loss of workforce, stakeholder and public confidence.	Head of Governance, Strategy and Performance	12 (3 x 4)	ARAC	GGB
3	Collaborate with Partners	SPPC008	Corporate Social Responsibility	There is the risk that the services is unable to demonstrate corporate social responsibility and sustainability due to a lack of a coordinated approach resulting in uncoordinated development and loss of workforce, stakeholder and public confidence.	Head of Governance, Strategy and Performance	8 (2 x 4)	ARAC	GGB
4	Legal and regulatory compliance	SPPC004	Information Governance Legislation	There is a risk that the service fails to comply with information governance legislation because of non-compliance resulting in sanctions and loss of stakeholder and public confidence	Head of Communication and Engagement	12 (3 x 4)	ARAC	GGB
4	Legal and regulatory compliance	TSA005	Health and Safety Legislation	There is a risk of SFRS not fulfilling its health and safety legislative requirements due to not completing the annual health and safety Improvement plans. This could affect the safety of our staff and communities, external scrutiny resulting in criminal or civil litigation and adverse publicity.	Head of Health and Safety and Assurance	9 (3 x 3)	PC	NSAB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
4	Legal and regulatory compliance	SPPC003	Statutory Framework	There is a risk that the service does not govern the organisation in compliance with statutory frameworks including: - Fire (Scotland) Act 2005 - Fire and Rescue Framework for Scotland 2016 - Community Empowerment (Scotland) Act 2015 because of a lack of suitable controls resulting in loss of stakeholder confidence.	Head of Governance, Strategy and Performance	8 (2 x 4)	ARAC	GGB
5	Skilled, trained and motivated staff	POD010	Project Support	The risk that POD teams are unable to timeously support and input to wider SFRS projects and change initiatives, meaning the people elements of change management aren't widely considered, resulting in reduced employee engagement and successful implementation of the project/change.	Head of People and Organisational Development	16 (4 x 4)	CC	SMB
5	Skilled, trained and motivated staff	SD006	Statutory Duties	There is a risk that Service Delivery is unable to maintain an effective level of capacity and resource within the Directorate because of challenges relating to the recruitment, promotion and retention of staff. This could result in Service Delivery not meeting its statutory duties under - The Fire (Scotland) Act 2005, - The Fire and Rescue Framework for Scotland 2016, - The Fire (Additional Function) (Scotland) Order 2005, - Regulation 11 of the Building (Procedure) (Scotland) Act 2004	Director of Service Delivery	16 (4 x 4)	PC	PB
5	Skilled, trained and motivated staff	TSA001	Training Resources	There is a risk of there being insufficient staff capacity and resources available to meet Service demand due to the high levels of training demand and the impact on delivery from Covid-19 pandemic control measures or the impacts of	Head of Training	16 (4 x 4)	PC	PB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
				EU Exit. This could result in political /reputational or financial risk to the Function, Directorate and Service, adverse scrutiny whether internal or external, reduced delivery of our critical skills training programme to accommodate other training needs and adversely impact upon the development pathway for staff.				
5	Skilled, trained and motivated staff	POD008	Medical Restrictions	Risk the Health and Wellbeing Team are restricted in the way they can undertake recruitment medicals and fitness assessments meaning the existing backlog of routine medicals and fitness assessments is not addressed and results in reduced availability and increased health risks to operational staff.	Head of People and Organisational Development	15 (3 x 5)	PC	PB
5	Skilled, trained and motivated staff	POD009	Employment Tribunals	Reputational and financial risk aligned to volume of employment tribunal claims and potential penalties aligned to equality and diversity implications cited in claims, resulting in SFRS having a poor employer brand.	Head of People and Organisational Development	15 (3 x 5)	PC	PB
5	Skilled, trained and motivated staff	POD011	Pay Awards	Risk of delay to pay and competence awards due to ineffective WTFF Development Programme Policy and process implementation leading to employee discontent and resulting in employee grievances.	Head of People and Organisational Development	15 (3 x 5)	PC	PB
5	Skilled, trained and motivated staff	FCS001	Sufficient Capacity	There is a risk that FCS doesn't have sufficient capacity to undertake required workload due to increasing Covid-19 and other commitments. This can result in reduced capacity to manage business as usual activities and other requirements placed upon the Directorate.	Director of Finance and Contractual Services	12 (3 x 4)	PC	PB
5	Skilled, trained and motivated staff	POD004	Staff Recruitment	The risk of being unable to support recruitment of staff across the SFRS, in a timely manner and aligned with workforce planning requirements	Head of People and	12 (3 x 4)	PC	PB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
				and 2021 approved Business Cases due to prolonged recruitment processes or delayed/unplanned recruitment scheduling resulting in a rise in vacant posts and an inability of SFRS to deliver core services.	Organisational Development			
5	Skilled, trained and motivated staff	POD006	Staff Wellbeing	The risk that the physical and mental wellbeing of POD staff is affected as a result of the challenges presented by the pandemic.	Head of People and Organisational Development	12 (3 x 4)	PC	PB
5	Skilled, trained and motivated staff	SDD008	Continuous Improvement Culture	There is a risk should SFRS continue to adopt an ad-hoc approach to continuous improvement that we will be unable to introduce and embed a systematic approach, framework and culture organisation wide that would enable a measurable and sustainable way to implementing improvements and delivering value	Head of Portfolio	9 (3 x 3)	SMB	SMB
5	Skilled, trained and motivated staff	TSA007	Staff/Resources Impact of COVID-19	There is a risk of there being insufficient staff capacity and resources available to meet Service demand with regard improvement plans and HSMS due to the significant impact of COVID -19 workstreams on HS staff. This could result in criminal /civil litigation and associated financial and reputational costs adverse scrutiny whether internal or external, impact on the well-being of staff.	Head of Health and Safety and Assurance	9 (3 x 3)	PC	NSAB
5	Skilled, trained and motivated staff	POD005	Employee Wellbeing	The risk of not developing and providing wellbeing support to all SFRS employees, (both mental and physical health) resulting from a lack of resources, planning and co-ordination of wellbeing activity and support which results in higher levels of employee absence and lower levels of engagement.	Head of People and Organisational Development	6 (2 x 3)	PC	PB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
6	Adequate operational assets, equipment etc.	SD001	Command and Control Mobilising Systems	There is a risk of failure to mobilise to an incident due to a technical failure of the existing mobilising systems. As a result, we would be failing to meet our statutory duty and also potentially bring reputational damage to the Service.	Head of Operations	20 (4 x 5)	SDC	AMLB
6	Adequate operational assets, equipment etc.	SD003	Operational Availability Systems	There is a risk of SFRS operational availability systems reaching end of life and failing and the existing supplier ceasing to support or maintain legacy systems. This would impact SFRS ability to effectively mobilise. It would also cause reliability issues and licence issues in some LSO areas of SFRS.	Head of Operations	20 (4 x 5)	SDC	AMLB
6	Adequate operational assets, equipment etc.	SDD007	Cyber Security	There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to lack of resources/ skills or appropriate policy and process being in place. This could result in failure of access to or stability of systems affecting SFRS activity.	Head of ICT	20 (4 x 5)	ARAC	DB
6	Adequate operational assets, equipment etc.	FCS012	Supply Chain Shortages	There is a risk that the significant supply chain shortages will be experienced in relation to the supply of commodities for construction, fleet and ICT equipment because of a lack of global manufacturing capacity as a result of Covid-19. This will result in delay to projects specified within the capital programme and potential increases in both capital and revenue costs as demand outstrips supply.	Acting Director of Asset Management	16 (4 x 4)	SDC	AMLB
6	Adequate operational assets, equipment etc.	FCS004	Assets Operational	There is a risk that frontline assets in operational use will not be suitably maintained due to damage, loss or ineffective asset investment. Any impact in this area will lead to reduce service	Acting Director of Asset Management	12 (3 x 4)	SDC	AMLB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
				availability and a reduction in the health, safety and wellbeing of staff.				
6	Adequate operational assets, equipment etc.	POD002	Replacement Programme	The risk of being unable to plan, resource, deliver and implement programme for replacement of a number of People, Training, Finance and Asset and systems that could result from not having a programme team in place and other resources released to support the programme leading to the systems not supporting SFRS achieve organisational objectives.	Head of People and Organisational Development	12 (3 x 4)	CC	PB
6	Adequate operational assets, equipment etc.	SPPC005	Information Performance Management	There is risk that the service fails to ensure quality of data, analysis, statistics and performance management information because of a lack of capacity or through inaccessible data within systems resulting in a lack of evidence supported decision making and planning.	Head of Governance, Strategy and Performance	12 (3 x 4)	ARAC	GGB
6	Adequate operational assets, equipment etc.	SPPC012	Organisational Security	There is a risk that the service has inadequate organisation security because of a lack of up to date security arrangements resulting in risk to staff and the public	Head of Governance, Strategy and Performance	12 (3 x 4)	ARAC	GGB
6	Adequate operational assets, equipment etc.	FCS003	Asset Acquisition	There is a risk that the Services ability to acquire and deploy assets fails to meet service requires due to insufficient prioritised asset investment and a lack of project management capacity. This will lead to delays in the acquisition of assets and an impact upon front line service provision.	Acting Director of Asset Management	9 (3 x 3)	SDC	AMLB
6	Adequate operational assets, equipment etc.	FCS002	Asset Management Planning	There is a risk that effective asset management planning is not undertaken because of available capital investment and available capacity due to our covid-19 response. This could result in a failure to ensure compliance with regulatory requirements and minimise the benefits that	Acting Director of Asset Management	9 (3 x 3)	ARAC	AMLB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
				could be gained through the introduction of new technologies.				
7	Financial Sustainability	FCS005	Core Funding	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements. This could result in delays to agreed and future projects requiring a resetting of the Services objectives.	Head of Finance and Procurement	16 (4 x 4)	ARAC	GGB
7	Financial Sustainability	SDD005	Additional Funding	There is a risk that Scottish Government funding for ESMCP will not be forthcoming resulting in the service being unable to resource the ESN implementation project and deliver this key area of change within the required timescales.	Head of ICT	15 (3 x 5)	ARAC	DB
7	Financial Sustainability	FCS011	Fraud Detection	There is a risk to the Service where incidents of fraud are undetected. This may be due to an unwillingness or a lack of awareness by individuals to follow policy and guidance on fraud prevention. Issues of fraud can impact the reputation of the Service, cause increased internal and external scrutiny and may have an impact upon financial reporting arrangements.	Head of Finance & Procurement	12 (3 x 4)	ARAC	GGB
7	Financial Sustainability	FCS010	Service Delivery Objectives	There is a risk where financial performance reporting is not aligned with Service Delivery requirements because of poor internal engagement or adequate capacity to prepare and support business case development. The impact of this may relate to lost investment opportunity or being unable to demonstrate aligned governance arrangements.	Head of Finance & Procurement	9 (3 x 3)	ARAC	GGB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
7	Financial Sustainability	SDD004	Organisational Culture	There is a risk that the Directorates ability to promote, enhance and mainstream an organisational culture of continual development and improvement is impacted due to a lack of resources, skills or knowledge contributing to an inability to influence culture and promote development and positive change.	Head of Portfolio	8 (2 x 4)	CC	SMB
7	Financial Sustainability	FCS006	Financial Planning and Controls	There is a risk that the Service will be unable to demonstrate effective planning and control of financial resources due to issues of capacity and increased demands being placed upon Sections. Whilst the risk is being managed we could experience criticism and increased scrutiny from auditing bodies.	Head of Finance and Procurement	8 (2 x 4)	ARAC	GGB
7	Financial Sustainability	SDD006	Network Replacement	There is a risk that we fail to engage with appropriate bodies and partners to manage the replacement of Firelink with ESN due to higher priority commitments. This could impact the resilience of the Firelink network until the replacement ESN network is available.	Head of ICT	8 (2 x 4)	ARAC	DB
8	Improve performance	SDD001	Resources and Capacity	There is a risk that the Directorate is unable to deliver against stated ambitions and requirements. This could be due in part to limited resource and available capacity at a time where the Directorate is still developing and maturing and responding to other concurrent events. Consequences could include lack of clarity and direction for Directorate members. Inability to identify resource requirements, unable to work effectively and efficiently as a Directorate and support wider Service Development.	Head of Portfolio	16 (4 x 4)	CC	SMB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
8	Improve performance	TSA008	Training Resources	There is a risk of there being insufficient facilities available to deliver training to staff due to the impact of the enactment of Section 19 Road Safety Act. This could result in the failure to utilise a local delivery model at point of need, increased pressure on centralised delivery, reputational and financial risk to the Function, Directorate and Service.	Head of Training	16 (4 x 4)	PC	PB
8	Improve performance	SPPC002	Communicate with Stakeholders	There is a risk that communication and engagement plans are not in place to support consultation processes because of a lack planning or consistency of approach resulting in unsupported and poorly defined strategy and change activity	Head of Communication and Engagement	15 (3 x 5)	CC	GGB
8	Improve performance	TSA003	Lessons Learnt	There is a risk of SFRS not learning lessons from experience, notable practice, innovation, investigations and case law because of not sharing lessons in a manner which encourages communication, engagement and securing ownership by risk owners. This could affect the safety of our staff and communities, resulting in adverse impact on reputation and external scrutiny	Head of Health and Safety and Assurance	12 (3 x 4)	PC	NSAB
8	Improve performance	FCS008	Environmental Management	There is a risk that the Service will be unable to achieve environmental and carbon reduction commitments due to limited investment or anticipated saving targets not being achieved through current projects. This can lead to lost saving opportunities, potential fines if required targets are not met and possibly negative media coverage.	Acting Director of Asset Management	9 (3 x 3)	SDC	ECMB

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Strategic Risk ID	Strategic Risk	Directorate Risk	Risk Name	Summary	Risk Owner	Risk Rating	Committee	Executive Board
8	Improve performance	SPPC001	Service Performance Management	There is a risk of the service not providing accurate performance management information because of inaccurate data or inadequate systems resulting in loss of confidence in service performance.	Head of Governance, Strategy and Performance	8 (2 x 4)	SDC	GGB
9	Protect Staff Covid-19	TSA002	Staff Training	There is a risk of there being insufficient staff capacity and resources available to deliver training to staff due to the ability for our facilities to accommodate the previous numbers of students due to the need to observe social distancing protocols. This could result in the failure to deliver on the Training Needs Analysis (TNA), political /reputational or financial risk to the Function, Directorate and Service, adverse scrutiny whether internal or external, reduced delivery of our critical skills training programme to accommodate other training needs and the development pathway for staff.	Head of Training	20 (5 x 4)	PC	PB
9	Protect Staff Covid-19	SDD003	Covid-19	There is a risk that planned Directorate activities and objectives may be impacted during our response to Covid-19 and the recovery phase. Consequences could include the inability to achieve potential efficiency savings and continue the modernisation of the Service.	Head of Service Development	12 (3 x 4)	SDC	SMB

Directorate Risk Control Summary

Appendix 1c

Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
1	SD012	Community Safety and Resilience	Undertake a strategic review of prevention and protection structures and delivery to ensure they remain sustainable, support partnership working and meet legislative requirements.	Cathy Barlow, National Community Safety Engagement Manager	31/03/2022	Amber - 70%	Additional staff resources have been secured for CSE. These include 15 Community Safety Advocates and a Deputy Head of P&P (Prevention Portfolio). CSE activities have resumed (post-lockdown) which has strengthened our ability to engage and train local partners. A Partnership Review is being undertaken by AC Pryde which will identify good practice and any areas which SFRS can strengthen.	16	9	ARAC	SMB
1	SD012	Community Safety and Resilience	Incorporate Community Risk Index into CSE planning (Dependant on Service Delivery Model Programme timescale)	Cathy Barlow, National Community Safety Engagement Manager	31/03/2022	Amber - 10%	Initial engagement with SDMP undertaken and awaiting completion of CRIM for incorporation within CSE planning. (carried forward from closed SD 8)	16	9	ARAC	SMB
1	SD012	Community Safety and Resilience	Undertake an internal review of CSE training resources and	Cathy Barlow, National Community	31/03/2022	Amber - 25%	Review of training materials and resources owned / associated with	16	9	ARAC	SMB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
			develop an implementation plan to address competency issues and ensure SFRS legislative responsibilities are achieved.	Safety Engagement Manager			CSE has been undertaken and a paper submitted to the P&P FMT (23/11). Once discussed by FMT an associated plan will be formulated which will require support from other functions to ensure accurate recording and delivery to relevant staff.				
3	SPPC007	Protect SFRS Reputation	Development and implementation of a Communications Strategy Action Plan (Phase 1)	Head of Communications and Engagement	31/03/2022	Green - 75%	Strategy completed with key actions identified. Document now progressing through governance approval process	12	12	ARAC	GGB
3	SPPC008	Corporate Social Responsibility	Implement robust arrangements to support the delivery of the SFRS Sustainable Development Framework.	Head of Corporate Governance	31/03/2022	Green - 75%	Sustainable Development Framework now in draft. Document to be reported to GGB in December 2021.	8	6	ARAC	GGB
4	SPPC004	Information Governance Legislation	Regular monitoring and review of framework, managing FOI and other information requests, to ensure ownership and awareness	Head of Communication and Engagement	31/03/2022	Green - 75%	This is a BAU activity but requires ongoing monitoring and review to minimise/manage risk to Service. Managed	12	8	ARAC	GGB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
			retained throughout the Service.				through the Information Governance Group.				
4	SPPC003	Statutory Framework	Procurement process for external legal support	Head of Corporate Governance	31/03/2022	Red - 0%	This action has been delayed and moved into 2021/22. Action will be progressed within the Procurement workplan for 21/22 with continued engagement with Finance & Procurement.	8	8	ARAC	GGB
4	SPPC003	Statutory Framework	Review and improve the SFRS Corporate Governance Framework.	Head of Corporate Governance	31/03/2022	Green - 50%	Majority of Corporate Governance Framework for 2021/22 will be produced in Q4. Working draft developed.	8	8	ARAC	GGB
6	SDD007	Cyber Security	Roll out of multi-factor authentication (Q3)	Head of ICT	31/03/2023	Amber - 90%	Multi-factor authentication rolled out across the Service with additional work to be undertaken in relation to Control and Operational Crews. Procurement for additional system development to be completed by end March 2022.	20	12	ARAC	DB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
6	SDD007	Cyber Security	Procurement of application patching tool	Head of ICT	31/12/2022	Red - 5%	Procurement of patching tools delayed until 2022/22 due to capacity and competing workplan priorities.	20	12	ARAC	DB
6	SPPC005	Information Performance Management	Delivery of the Business Intelligence Strategy and relevant milestones	Head of Corporate Governance	31/03/2022	Green - 75%	Delivery milestones will be monitored throughout the year, aligned to Directorate workplan and PI workplan with updates provided to GGB.	12	8	ARAC	GGB
6	SPPC012	Organisational Security	Develop Organisational Security Plan	Head of Corporate Governance	31/03/2022	Green - 25%	Development of Security Plan will align to recruitment of additional staff and re-establishment of Organisational Security Group.	12	8	ARAC	GGB
6	FCS002	Asset Management Planning	Work to progress technical integration of Information Systems to enable enhanced asset performance reporting	Acting Director of Asset Management	31/12/2022	Green - 80%	Ongoing review of technical specification requirements for interphase between Tech1 and Tech-Forge with work now being aligned to the overarching People, Training, Finance and Asset System. Tranman and Tech1 interface complete.	9	9	ARAC	AMLB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
6	FCS002	Asset Management Planning	Work to be progressed on a number of strategic documents including an Estates Strategy, Fleet Strategy and a revised Property Asset Management Plan which will be based upon the outcome of the SDMP report.	Acting Director of Asset Management	31/03/2023	Amber - 50%	The Fleet Strategy is in development with an anticipated completion date by the end of Q4. Property Asset Management Plan and Equipment Strategy to be completed by the end of March 2023. Both strategies will align to SDMP which has been delayed.	9	9	ARAC	AMLB
6	FCS002	Asset Management Planning	AM providing background information and professional advice to SDMP team with regards to the suitability and condition assessments of operational stations.	Acting Director of Asset Management	31/03/2022	Green - 90%	Work progressing as required in collaboration with SDMP group with required information provided.	9	9	ARAC	AMLB
6	FCS002	Asset Management Planning	Provide Operations with technical advice and expertise to enable the development of a new Operational Deployment Strategy	Acting Director of Asset Management	31/03/2022	Green - 50%	Progressing with gap analysis of equipment across SFRS Fleet Primary focus is now on the replacement of HRE with PRE to de-risk the Service from high pressure injection injures	9	9	ARAC	AMLB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
6	FCS002	Asset Management Planning	Develop Stakeholder Engagement Strategy	Acting Director of Asset Management	31/03/2022	Green - 20%	Development of Strategy with regards to Fleet is being progressed.	9	9	ARAC	AMLB
7	FCS005	Core Funding	Identify additional funding opportunities to achieve environmental and carbon reduction targets	Head of Finance and Procurement	31/03/2022	Green - 75%	<p>£2.1M funding received under green public-sector estate decarbonisation scheme.</p> <p>Transport Scotland bid to be resubmitted due to new governance arrangements around funding. Agreed funding requirement of £1M.</p> <p>Further engagement required with Transport Scotland to develop a medium-term plan around future funding.</p>	16	8	ARAC	GGB
7	FCS011	Fraud Detection	Complete actions associated with Procurement strategy relating to Fraud	Head of Finance and Procurement	31/03/2022	Green - 60%	This is a three-year Procurement Strategy with year one actions identified for completion in current year. Progress reporting undertaken.	12	9	ARAC	GGB
7	FCS011	Fraud Detection	Recruit additional resources to undertake a review of financial transactions, completed during	Head of Finance and Procurement	31/03/2022	Green - 50%	Verification Officers recruited and plan being prepared to review current governance arrangements.	12	9	ARAC	GGB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
			2020/21, providing reassurance that fraud risk is being appropriately managed.				A new Fraud post has been advertised with interview dates to be planned.				
7	FCS010	Service Delivery Objectives	Development of an enhanced Business Case/Case for Change process aligned to Service/Strategic Objectives	Decision Support Manager	31/03/2022	Amber - 5%	Work underway between F&P and Portfolio Office in creating a more robust and efficient Business Case / Case for Change process in alignment with Service / Strategic objectives. This new process will improve engagement between all functions within SFRS and ensure funding investments will be aligned with Service Delivery requirements.	9	9	ARAC	GGB
7	SDD006	Network Replacement	Ongoing engagement with Scottish Government	Head of ICT	31/03/2022	Green - 75%	This will continue throughout 2021/22 until further information is received from SG. Continued partner engagement continues.	8	4	ARAC	DB
7	FCS006	Financial Planning and Controls	Scrutiny of exceptions adopted during the global pandemic to ensure financial	Head of Finance & Procurement	31/03/2022	Green - 55%	Reviews of Covid 19 purchases using emergency procedure, Purchase card	8	8	ARAC	GGB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
			controls are maintained				transactions, Petty cash, Accounts payable process, stock procedures and reconciliations, Expenses and overtime claims are underway.				
7	FCS006	Financial Planning and Controls	Improve finance system capability after move to cloud	Head of Finance & Procurement	31/03/2022	Amber - 35%	Works associated with a supplier portal, procurement improvements and revision to Technology one access all being progressed but delayed due to Covid 19 and staff movements. However, resilience measures are in place with Technology One consultants to progress required work.	8	8	ARAC	GGB
7	FCS006	Financial Planning and Controls	Improve HR/Payroll system capability	Head of Finance & Procurement	31/03/2022	Amber - 45%	Further incremental improvements continue and substantial roll out of ESS has been completed with final roll out to all employees by end of Q4.	8	8	ARAC	GGB
7	FCS006	Financial Planning and Controls	Review and scrutinise major projects for time, cost and quality as required by the Strategic Change and	Head of Finance and Procurement	31/03/2022	Green - 65%	This is an ongoing annual task for Finance Business Partners to review and provide assurance to SMB . Engagement ongoing	8	8	ARAC	GGB

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Strategic Risk	Risk ID	Risk	Action Description	Owner	Est Date	Status	Control Comments	Risk Rating	Target Rating	Committee	Executive Board
			Major Projects Committee				with the Portfolio Office to support enhancement of processes.				
7	FCS006	Financial Planning and Controls	Resource the development of business case for PTFA from a financial perspective	Head of Finance and Procurement	31/01/2022	Amber - 40%	Finance business partner and client-side partner Moores Insight have been allocated to the project and supporting the development of the wider business case.	8	8	ARAC	GGB

Directorate Closed Control Summary

Appendix 1d

Risk ID	Risk Name	Risk Description	Control Description	Control Owner	Control Comments	Committee	Executive Board
FCS011	Fraud Detection	There is a risk to the Service where incidents of fraud are undetected. This may be due to an unwillingness or a lack of awareness by individuals to follow policy and guidance on fraud prevention. Issues of fraud can impact the reputation of the Service, cause increased internal and external scrutiny and may have an impact upon financial reporting arrangements.	Provision of a LCMS work package to maintain awareness and ownership of Fraud Risk across the organisation	Head of Finance and Procurement	The revised Anti-Fraud and Corruption Policy is now in place and a Fraud LCMS package developed to raise awareness and ownership across the Service.	ARAC	GGB
SDD007	Cyber Security	There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to lack of resources/ skills or appropriate policy and process being in place. This could result in failure of access to or stability of systems affecting SFRS activity.	Development and implementation of cyber security awareness campaign	Head of ICT	Cyber Security Awareness Campaign launched November 2021 with progress monitoring reports to be provided to the Digital Board.	ARAC	DB
SPPC012	Organisational Security	There is a risk that the service has inadequate organisation security because of a lack of up to date security arrangements resulting in risk to staff and the public	Re-establish Organisational Security Group	Head of Corporate Governance	Group re-established with meetings to be planned throughout 2021/22.	ARAC	GGB
SPPC013	Partnership Working	There is a risk that the Service fails to meet its duties to participate in Community	Establish Partnership Oversight and	Head of Corporate Governance	Group established with meetings planned during 2021/22.	ARAC	GGB

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Risk ID	Risk Name	Risk Description	Control Description	Control Owner	Control Comments	Committee	Executive Board
		Planning and demonstrate strong collaboration and partnership working due to a lack of coordination and information resulting in missed opportunities and in a loss of workforce, stakeholder and public confidence.	Governance start and finish Group.				

Directorate Closed Risk Summary

Appendix 1e

Nil Return

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Directorate Risk Rating Change Summary

Appendix 1f

Parent Risk ID	Risk ID	Parent Risk	Risk Name	Summary	Risk Owner	Change Reason	Current Risk Rating	Initial Risk Rating	Committee	Executive Board
7	FCS005	Financial Sustainability	Core Funding	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements. This could result in delays to agreed and future projects requiring a resetting of the Services objectives.	Head of Finance and Procurement	The probability has increased from 3 to 4 which represents current uncertainty over future government funding arrangements.	16 (4 x 4)	12 (3 x 4)	ARAC	GGB

New Directorate Risks

Appendix 1g

Nil Return

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New Directorate Controls Summary

Appendix 1h

Risk ID	Risk Name	Risk Description	Control Description	Control Owner	Control Due Date	Percentage Complete	Control Comments	Committee	Executive Board
FCS010	Service Delivery Objectives	There is a risk where financial performance reporting is not aligned with Service Delivery requirements because of poor internal engagement or adequate capacity to prepare and support business case development. The impact of this may relate to lost investment opportunity or being unable to demonstrate aligned governance arrangements.	Development of an enhanced Business Case/Case for Change process aligned to Service/Strategic Objectives	Decision Support Manager	31/03/2022	Amber 5%	Work underway between F&P and Portfolio Office in creating a more robust and efficient Business Case / Case for Change process in alignment with Service / Strategic objectives. This new process will improve engagement between all functions within SFRS and ensure funding investments will be aligned with Service Delivery requirements.	ARAC	GGB



HM Fire Service Inspectorate

Report to: SCOTTISH FIRE AND RESCUE SERVICE AUDIT AND RISK
ASSURANCE COMMITTEE

Meeting Date: 20 January 2022

Report By: HM Fire Service Inspectorate (HMFSI)

Subject: Update from HM Fire Service Inspectorate

1. PURPOSE

- 1.1 To provide the Audit and Risk Assurance Committee (ARAC) with an update on HMFSI's recent and ongoing activities.

2. RECOMMENDATIONS

- 2.1 That the Committee notes the update from HMFSI.

3. Local Area Inspections (LAI): Work Update

- 3.1 As highlighted in our report to the Committee in October last year, we advised of the publication of the report on Midlothian in May 2021.

At the time of our previous report to Committee we had been concluding the outstanding inspection work for Argyll & Bute and were preparing the report. We advised ARAC of slippage in the publication of the report, this finally took place on 24 December 2021.

As also advised to ARAC at the October meeting we had commenced the early stages of an inspection of Angus. Good progress has been made on the inspection, however, with the resurgence of the pandemic in November a limited amount of fieldwork remains outstanding which will be concluded as soon as possible. The majority of fire stations have received a visit. We still anticipate reporting on our findings before the end of the financial year in March 2022.

4. Thematic Inspection Work

4.1 UN Climate Change Conference – COP26

As the Committee is aware HMFSI has carried out an inspection of the Scottish Fire and Rescue Service's (SFRS) plans and preparedness for the COP26 Climate Change Conference. The purpose of our inspection was to assess the effectiveness of the SFRS's planning for the event. Our particular areas of interest included:

- the SFRS' risk assessments for the conference
- planning arrangements, including those involving multi-agency partners, and
- planning assumptions, including business as usual (BAU) arrangements
- additional capacity requirements and how these will be met
- contingency planning for a major incident in connection with the conference
- incident command capacity and effective support of all venues
- fire safety enforcement activity relative to the event
- training and exercising arrangements, to include multi-agency partners
- the SFRS' communications and briefing strategy.

Our overall impression was that SFRS staff had engaged appropriately with partners, the other emergency management agencies and conference organisers and had undertaken a suitable level of response planning for the event as a result. The report differed from most of our other thematic reports because it contained no new recommendations for the SFRS. The rationale behind that decision was partly driven by compressed timescales. Where during the inspection it was felt necessary to raise an issue with the Service, this was done at the time. The final report was published on 12 October 2021.

4.1.2 Firefighting in High Rise Buildings

The purpose of carrying out this inspection is to review how the Service prepares for, and carries out firefighting, in high rise buildings. In line with building standards, we are using 18 metres as the threshold for the definition of a high rise. While the main thrust of our inspection will be high rise domestic buildings due to the life risk, we will also examine high rise commercial buildings.

Inspectors have been undertaking a desk-top review of documents supplied by the Service and have conducted fieldwork in Aberdeen, Edinburgh, Renfrewshire, Inverclyde, and Dundee. This included interviews with SFRS personnel and accompanying crews on site visits. We also observed a multi-appliance training exercise in an empty high-rise block in North Ayrshire.

The fieldwork is expected to conclude in February 2022, however, this may be affected by the latest response to the pandemic. The report is anticipated to be laid in the Scottish Parliament in May 2022.

4.1.3 Health & Safety – An Operational Focus

The purpose of this inspection was to assess the effectiveness and efficiency of the Service's Health, Safety and Welfare practices with an operational focus. In particular to review the organisational culture in relation to Health, Safety and Welfare. We set out to consider whether Health and Safety is centred on firefighter safety and assure ourselves that operational staff understand, and can demonstrate, how health and safety is being applied in the SFRS.

A desk-top analysis of Service provided documentation has taken place as well as a number of visits to SFRS premises and interviews with personnel. This will enable us to consider how the Service is using national learning, data and other information to reduce risk and improve the overall safety and welfare of its staff. HMFSI has looked at the governance and management, policy and planning, training and recording arrangements relative to Health and Safety.

The final fieldwork was concluded in late December. Following consultation, the laying in the Scottish Parliament of the final report is anticipated before the end of the financial year 20/21.

HMFSI

Date: 24/12/2021

SCOTTISH FIRE AND RESCUE SERVICE

Audit and Risk Assurance Committee



Report No: C/ARAC/07-22

Agenda Item: 12

Report to:	AUDIT AND RISK ASSURANCE COMMITTEE						
Meeting Date:	20 JANUARY 2022						
Report Title:	QUARTERLY UPDATE OF GIFTS, HOSPITALITY AND INTERESTS REGISTER						
Report Classification:	For Information Only	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this report is to provide the Audit and Risk Assurance Committee (ARAC) with the 2021/22 Quarter 3 (Q3) update on the Gifts, Hospitality and Interests Register.						
2	Background						
2.1	The Scottish Fire and Rescue Service (SFRS) Gifts, Hospitality and Interests policy establishes a formal and consistent approach in relation to the offer, refusal and acceptance of gifts and hospitality and ensures that conflicts of interest are identified and avoided where possible.						
2.2	The policy reflects the general underlying principle that SFRS will operate in an open and transparent manner and aims to ensure that the conduct of all staff is impartial, honest and beyond reproach at all times, ensuring that SFRS suffers no reputational damage						
2.3	As part of the policy the Director of Finance and Contractual Services will publish a register of Gifts, Hospitality and Interests with a value in excess of £50 submitting a report on a quarterly basis to the Audit and Risk Assurance Committee (ARAC) and Corporate Assurance Board (CAB) for noting. The Risk and Audit Section will be responsible for managing any relevant information.						
3	Main Report/Detail						
3.1	The Gifts, Hospitality and Interests register for Q3 identifies 3 entries, with further information identified within Appendix A to this report.						
3.2	A separate gift declaration, under the £50 threshold, was made in relation to a monetary donation, with the money donated to the Fire Fighters Charity.						
3.3	Awareness and ownership in relation to the accepting and declaring of any gifts, hospitality and interests is undertaken through articles within iHub, SFRS News and directly through management meetings.						
3.4	The register is also informed and updated through the National Fraud Initiative (NFI), where potential matches are identified. For example, where an individual is employed by SFRS but may also have an interest in a company providing goods or services to SFRS.						

3.5	Following the publication of the new GHI policy the opportunity to raise awareness and ownership of responsibilities will be progressed and these additional areas of assurance, together with existing monitoring, are identified below.
3.5.1	<p><u>Existing Reporting Arrangements:</u></p> <ul style="list-style-type: none"> • Individual Registers of Interest for Board Members and the Strategic Leadership Team held within the SFRS website. • Quarterly reporting to ARAC and the Good Governance Board in respect of declarations made to the Compliance Team • Interests declared as part of Procurement User Intelligence Groups (UIG's).
3.5.2	<p><u>Additional controls to be progressed:</u></p> <ul style="list-style-type: none"> • To raise awareness of the policy and requirements for declarations a Learning Content Management System (LCMS) awareness package will be created. Following discussion with colleagues the package will be developed and piloted within a number of operational stations to allow feedback to inform its development. • Discussion with Communication and Engagement to identify additional methods of raising awareness and ownership of the policy through articles or other means. • In discussion with the Procurement Manager UIG interests to be incorporated within the quarterly GHI register. Discussions to be held to ensure that any publication would not adversely impact the procurement process.
3.5.3	<p><u>Identification of GHI's reported by other UK Fire Services:</u></p> <ul style="list-style-type: none"> • Information has been sourced from other UK Fire Service websites in relation to Gifts, Hospitality and Interests to use as a benchmark in measuring SFRS reporting performance. Information collected is currently being reviewed but identifies a range in terms of the areas reported and the number of reports.
3.6	Whilst the Risk and Audit Section will continue to report and raise awareness and ownership in relation to Gifts, Hospitality and Interests, it is anticipated that declarations will continue to remain low, as a result of Covid-19.
4	Recommendation
4.1	The report is provided to the Audit and Risk Assurance Committee for information purposes.
5	Key Strategic Implications
5.1	Risk
5.1.1	The register forms part of the Services wider governance arrangements minimising the risk of fraud and ensuring the Service can demonstrate that the conduct of staff is impartial, honest and above reproach.
5.2	Financial
5.2.1	The current Policy is consistent with the guidance contained within the Scottish Public Finance Manual.

5.3 5.3.1	Environmental & Sustainability There are no specific environmental or sustainability issues.
5.4 5.4.1 5.4.2 5.4.3	Workforce All employed staff, including Board Members, of SFRS have a responsibility to declare gifts, hospitality and interests in accordance with the policy requirements. All individuals directly involved in the procurement activity of SFRS, including those who have significant advisory or technical input into the procurement decision making process are precluded from accepting any gifts or hospitality and are required to formally declare any interests as part of the User Intelligence Group (UIG) process. Employees who have a private business that trades with SFRS are required to declare their interest in accordance with the Policy. Checks of this position are undertaken through the National Fraud Initiative (NFI).
5.5 5.5.1	Health & Safety There are no specific health and safety issues identified.
5.6 5.6.1	Training The Finance and Contractual Services Directorate will continue to promote awareness of the Gifts, Hospitality and Interests Policy and associated register and the requirement for individuals to be aware of their obligations under the Policy.
5.7 5.7.1	Timing A report will be submitted on a quarterly basis to ARAC and the Good Governance Board detailing the declarations made on the Register of Gifts, Hospitality and Interests Register as required by the Policy. The register is published on the SFRS website.
5.8 5.8.1	Performance There are no specific performance measures.
5.9 5.9.1	Communications & Engagement The policy continues to be promoted across the Service raising awareness and ownership of the Gifts, Hospitality and Interests Policy.
5.10 5.10.1	Legal The Policy is consistent with the guidance contained within the Scottish Procurement Policy Handbook as published by Scottish Government.
5.11 5.11.1	Information Governance A report will be submitted on a quarterly basis to ARAC and the CAB detailing the declarations made on the Register of Gifts, Hospitality and Interests as required by the Policy. The register is published on the SFRS website.
5.12 5.12.1	Equalities Gifts, Hospitality and Interests requirements in relation to Equalities are included within the overarching Fraud EIA.
5.13 5.13.1	Service Delivery There are no specific Service Delivery issues.
6	Core Brief
6.1	Not applicable

7	Appendices/Further Reading	
7.1	Appendix A – Q3 SFRS Gifts, Hospitality and Interests Register	
Prepared by:	Hazel Buttery, Compliance Officer	
Sponsored by:	John Thomson, Director of Finance & Contractual Services	
Presented by:	David Johnston, Risk and Audit Manager	
Links to Strategy and Corporate Values		
Strategic Plan 2019-22 – Outcome 4 – We are fully accountable and maximise our public value by delivering a high quality, sustainable fire and rescue service for Scotland.		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>Audit and Risk Assurance Committee</i>	<i>20 January 2022</i>	<i>For Information Only</i>

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

Agenda Item 14.1

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
30 March 2022	<ul style="list-style-type: none"> • Chair's Welcome • Apologies For Absence • Consideration Of And Decision On Any Items To Be Taken In Private • Declaration of Interests • Minutes • Action Log • Internal Controls Updates - Strategic Risk Register - Anti Fraud and Whistleblowing • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting • Gifts and Hospitality Quarterly Update Not available - Period not complete <p>HOT DEBRIEF</p>	<ul style="list-style-type: none"> • HMFSI Routine Report 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Internal Audit Progress Report 2021/22 • Internal Audit - Annual Assurance Statement 2021/22 • Progress Update – Internal Audit Recommendations • Final reports: <ul style="list-style-type: none"> - ICT and Data Security Follow Up - Workforce Planning - Environmental Sustainability • Arrangements for Preparing the AGS 2021/22 • Independent Audit/ Inspection Action Plan Update • Whistleblowing Policy (TBC by George Lindsay) 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Draft Internal Audit Plan 2022/23 <p>External Audit</p> <ul style="list-style-type: none"> • External Audit – The Audit Plan 2021/22 	<ul style="list-style-type: none"> • Review of the Committee Terms of Reference • Statement of Assurance • Accounting Policies

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
28 JUNE 2022	ANNUAL PRIVATE MEETING WITH INTERNAL AUDIT				
	<ul style="list-style-type: none"> • Chair's Welcome • Apologies • Consideration of and Decision on any Items to be taken in Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Internal Controls Updates <ul style="list-style-type: none"> - Strategic Risk Register - Anti Fraud and Whistleblowing • Gifts and Hospitality – Quarterly Update • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting HOT DEBRIEF	<ul style="list-style-type: none"> • HMFSI Annual Update Report • 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Internal Audit Progress Report 2022/23 • Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> • External Audit – 2021/22 Audit Plan Progress Report • Independent Audit/ Inspection Action Plan Update • SFRS Annual Governance Statement 2021/22 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Committee Audit Annual Report 2021/22 to the Accountable Officer and Board

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
13 OCTOBER 2022	ANNUAL PRIVATE MEETING WITH EXTERNAL AUDIT				
	<ul style="list-style-type: none"> Chair's Welcome Apologies Consideration of and Decision on any Items to be taken in Private Declaration of Interests Minutes of Previous Meeting Action Log Internal Controls Updates <ul style="list-style-type: none"> - Strategic Risk Register - Anti Fraud and Whistleblowing Gifts and Hospitality – Quarterly Update Review of Actions Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days Date of Next Meeting HOT DEBRIEF	<ul style="list-style-type: none"> HMFSI Quarterly Report 	Internal Audit <ul style="list-style-type: none"> Internal Audit Progress Report 2022/23 Progress Update – Internal Audit Recommendations Final reports: <ul style="list-style-type: none"> - Programme Office Independent Audit/ Inspection Action Plan Update 	<ul style="list-style-type: none"> SFRS Draft Annual Report and Accounts 2021/22 (Private) External Audit <ul style="list-style-type: none"> Private Session – Annual Report to Members and Auditor General for Scotland 	

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
19 JANUARY 2023	<ul style="list-style-type: none"> • Chair's Welcome • Apologies • Consideration of and Decision on any Items to be taken in Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Internal Controls Updates <ul style="list-style-type: none"> - Strategic Risk Register - Anti Fraud and Whistleblowing • Gifts and Hospitality – Quarterly Update • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting <p>HOT DEBRIEF</p>	<ul style="list-style-type: none"> • HMFSI Quarterly Report 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Internal Audit Progress Report 2022/23 • Progress Update – Internal Audit Recommendations <p>External Audit</p> <ul style="list-style-type: none"> • External Audit – 2022/23 Audit Plan Progress Report • Independent Audit/ Inspection Action Plan Update 		

AUDIT AND RISK ASSURANCE COMMITTEE – ROLLING FORWARD PLAN

	STANDING ITEMS	FOR INFORMATION ONLY	FOR SCRUTINY	FOR RECOMMENDATION	FOR DECISION
30 March 2022	<ul style="list-style-type: none"> • Chair’s Welcome • Apologies • Consideration of and Decision on any Items to be taken in Private • Declaration of Interests • Minutes of Previous Meeting • Action Log • Internal Controls Updates <ul style="list-style-type: none"> - Strategic Risk Register - Anti Fraud and Whistleblowing • Gifts and Hospitality – Quarterly Update • Review of Actions • Forward Planning: Committee Forward Plan and Items to be considered at future IGF, Board and Strategy Days • Date of Next Meeting <p>HOT DEBRIEF</p>	<ul style="list-style-type: none"> • HMFSI Quarterly Report 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Internal Audit Progress Report 2022/23 • Internal Audit – Annual Assurance Statement 2022/23 • Progress Update – Internal Audit Recommendations • Arrangements for Preparing the AGS 2022/23 • Independent Audit/ Inspection Action Plan Update 	<p>Internal Audit</p> <ul style="list-style-type: none"> • Draft Internal Audit Plan 2023/24 <p>External Audit</p> <ul style="list-style-type: none"> • External Audit – The Audit Plan 2022/23 	<ul style="list-style-type: none"> • Review of the Committee Terms of Reference • Value Added Statement • Accounting Policies